

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED DECEMBER 20, 2024

NEW ISSUE

NOT RATED

THE SERIES 2025 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 Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2025 Bonds. See "TAX MATTERS" herein.



MONTGOMERY COUNTY TEXAS

\$7,166,000* MONTGOMERY COUNTY, TEXAS, (a political subdivision of the State of Texas) SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(MEADOW PARK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

Dated Date: January 15, 2025

Due: September 15, as shown on the inside cover

Interest to Accrue from Delivery Date (defined below)

The Montgomery County, Texas, Special Assessment Revenue Bonds, Series 2025 (Meadow Park Public Improvement District Improvement Area #1 Project) (the "Series 2025 Bonds"), are being issued by Montgomery County, Texas (the "County"). The Series 2025 Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Series 2025 Bonds will bear interest at the rates set forth on the inside cover hereof, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 15 and September 15 commencing March 15, 2025, until maturity or earlier redemption. The Series 2025 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 Series 2025 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 Series 2025 Bonds will be paid from the sources described herein by Regions Bank, Dallas, Texas, as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY-ONLY SYSTEM."

The Series 2025 Bonds are being issued by the County pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an order expected to be adopted by the Commissioners Court of the County (the "Commissioners Court") on January 7, 2025, and an Indenture of Trust, dated as of January 15, 2025 (the "Indenture"), expected to be entered into by and between the County and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Series 2025 Bonds will be used for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) funding a reserve fund for payment of principal and interest on the Series 2025 Bonds, (iii) funding the initial deposit to the Administrative Fund for payment of the initial Annual Collection Costs and (iv) paying costs of issuance of the Series 2025 Bonds. See "IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS" and "APPENDIX B – Form of Indenture."

The Series 2025 Bonds are the initial series of the Bonds Similarly Secured issued pursuant to the Indenture. Refunding Bonds, if any, may be issued on parity with the Series 2025 Bonds (the Series 2025 Bonds and any Refunding Bonds, if issued, the "Bonds Similarly Secured"). The Bonds Similarly Secured, when issued and delivered, will constitute valid and binding special, limited obligations of the County payable solely from and secured by first lien on an pledge of the Trust Estate, consisting primarily of the revenue from Improvement Area #1 Assessments levied against assessable properties in Improvement Area #1 within the Meadow Park Public Improvement District (the "District") in accordance with a Service and Assessment Plan, and other assets comprising the Trust Estate, all to the extent and upon the conditions described in the Indenture. The Series 2025 Bonds are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS SIMILARLY SECURED." The Series 2025 Bonds are subject to redemption at the times, in the amounts, and at the redemption price more fully described herein under the subcaption "DESCRIPTION OF THE SERIES 2025 BONDS – Redemption Provisions."

The Series 2025 Bonds involve a significant degree of risk and are not suitable for all investors. See "BONDHOLDERS' RISKS" and "SUITABILITY FOR INVESTMENT." The Underwriter is limiting this offering to Qualified Institutional Buyers and Accredited Investors. The limitation of the initial offering to Qualified Institutional Buyers and Accredited Investors does not denote restrictions on transfers in any secondary market for the Series 2025 Bonds. Prospective purchasers should carefully evaluate the risks and merits of an investment in the Series 2025 Bonds, should consult with their legal and financial advisors before considering a purchase of the Series 2025 Bonds, and should be willing to bear the risks of loss of their investment in the Series 2025 Bonds. The Series 2025 Bonds are not credit enhanced or rated and no application has been made for a rating on the Series 2025 Bonds.

THE BONDS SIMILARLY SECURED, INCLUDING THE SERIES 2025 BONDS, ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM THE FIRST LIEN ON AND PLEDGE OF 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 COUNTY 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 ASSETS OF THE COUNTY AND THE CITY AND THE CITY OTHER THAN 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 COUNTY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE COUNTY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY ASSETS OF THE COUNTY OTHER THAN THE PLEDGED REVENUES AND OTHER ASSETS 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 Series 2025 Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Series 2025 Bonds are offered for delivery when, as, and if issued by the County and accepted by FMSbonds, Inc. (the "Underwriter"), subject to, among other things, the approval of the Series 2025 Bonds by the Attorney General of Texas and the receipt of the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), as to the validity of the Series 2025 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 Underwriter by its counsel, Jackson Walker LLP, and for the Developer by its counsel, Coats Rose, P.C. It is expected that the Series 2025 Bonds will be delivered in book-entry form through the facilities of DTC on or about [January 30, 2025] (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 such jurisdiction.

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

CUSIP Prefix: ^(a)

\$7,166,000*
MONTGOMERY COUNTY, TEXAS,
(a political subdivision of the State of Texas)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(MEADOW PARK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

\$ _____ % Term Bonds, Due September 15, 20 __, Priced to Yield _____%; CUSIP Suffix: _____ ^{(a) (b) (c)}

\$ _____ % Term Bonds, Due September 15, 20 __, Priced to Yield _____%; CUSIP Suffix: _____ ^{(a) (b) (c)}

-
- (a) CUSIP numbers are included solely for the convenience of Owners of the Series 2025 Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the County, the County's Financial Advisor, or the Underwriter take any responsibility for the accuracy of such numbers.
- (b) The Series 2025 Bonds maturing on or after September 15, 20 __, are subject to redemption, in whole or in part, prior to stated maturity, at the option of the County, on any date on or after September 15, 20 __, at the redemption price set forth herein under "DESCRIPTION OF THE BONDS SIMILARLY SECURED, – Redemption Provisions."
- (c) The Series 2025 Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as set forth herein under "DESCRIPTION OF THE BONDS SIMILARLY SECURED – Redemption Provisions."

MONTGOMERY COUNTY, TEXAS

COMMISSIONERS COURT

<u>Name</u>	<u>Place</u>	<u>Term Expires (December 31)</u>
Mark Keough	County Judge	2026
Robert C. Walker	Commissioner Precinct 1	2028
Charlie Riley	Commissioner Precinct 2	2026
M. Ritchey Wheeler	Commissioner Precinct 3	2028
Matt Gray	Commissioner Precinct 4	2026

COUNTY TREASURER

Melanie Bush

COUNTY AUDITOR

Rakesh Pandey

COUNTY CLERK

L. Brandon Steinmann

FINANCIAL ADVISOR

BOK Financial Securities, Inc.

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP

UNDERWRITER'S COUNSEL

Jackson Walker LLP

ADMINISTRATOR

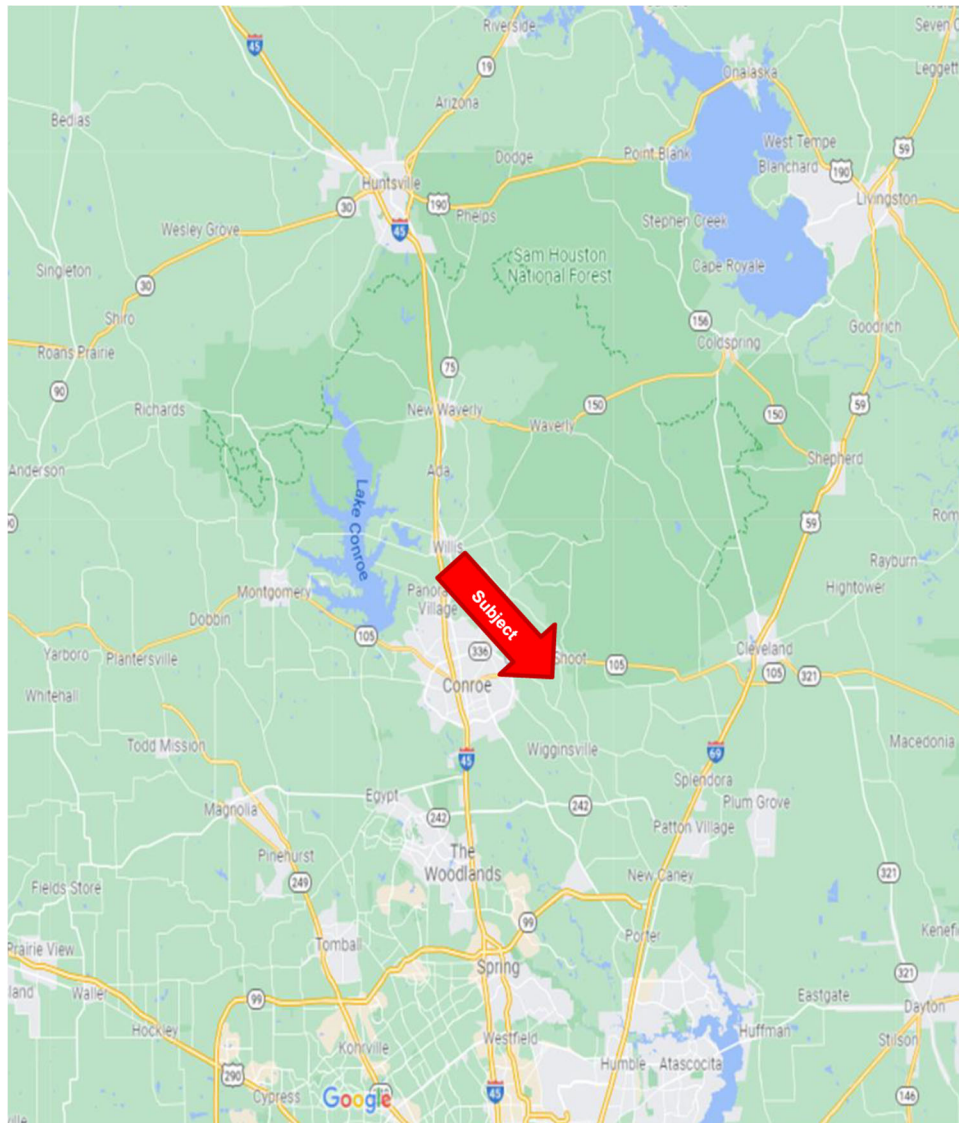
P3Works, LLC

For additional information regarding the County, please contact:

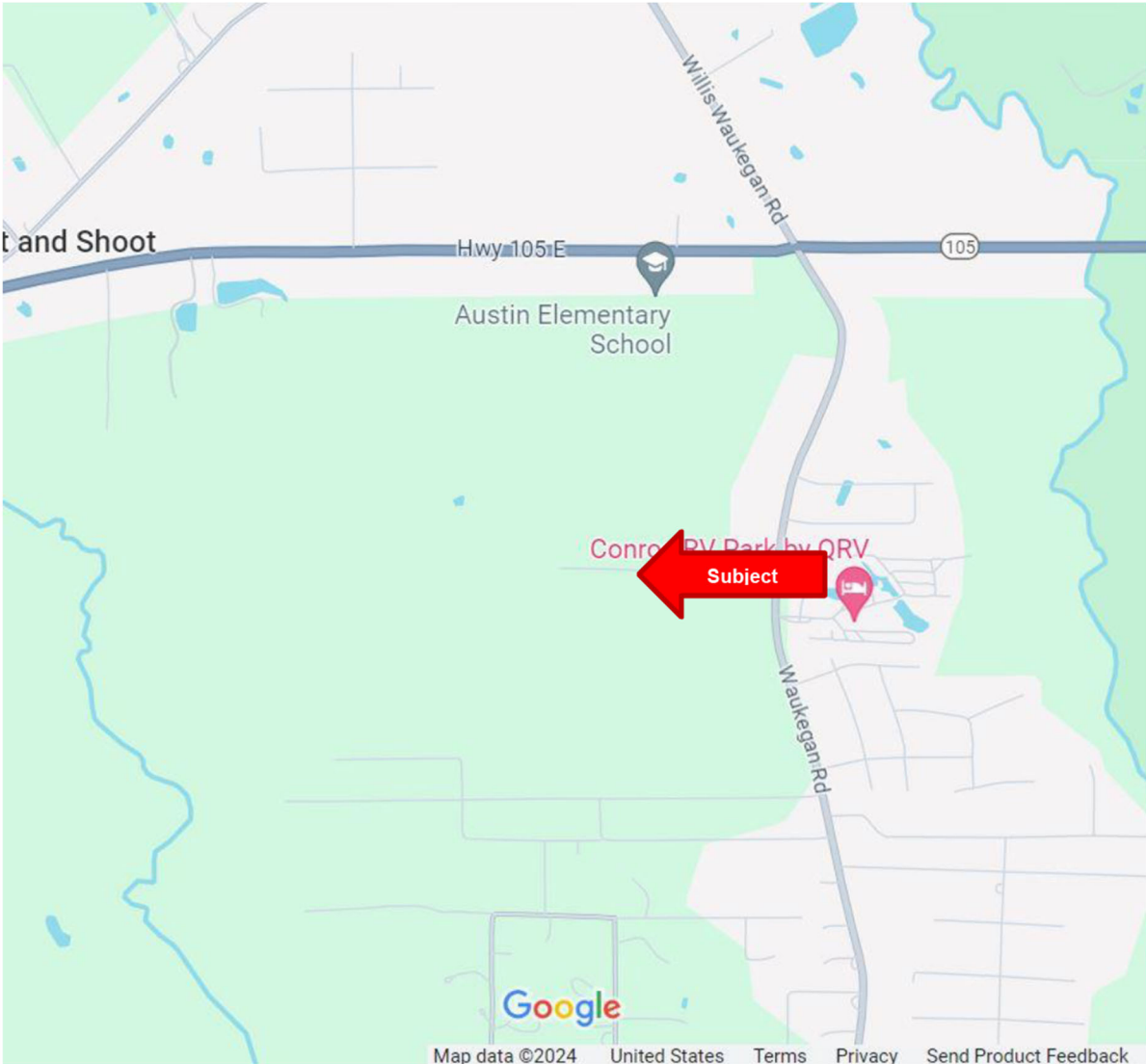
Rakesh Pandey
County Auditor
Montgomery County, Texas
501 North Thompson, Suite 205
Conroe, TX 77301
(936) 539-7820

John Robuck
BOK Financial Securities, Inc., Managing Director
1401 McKinney Street
Suite 1000
Houston, TX 77010
(713) 289-5897

REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT

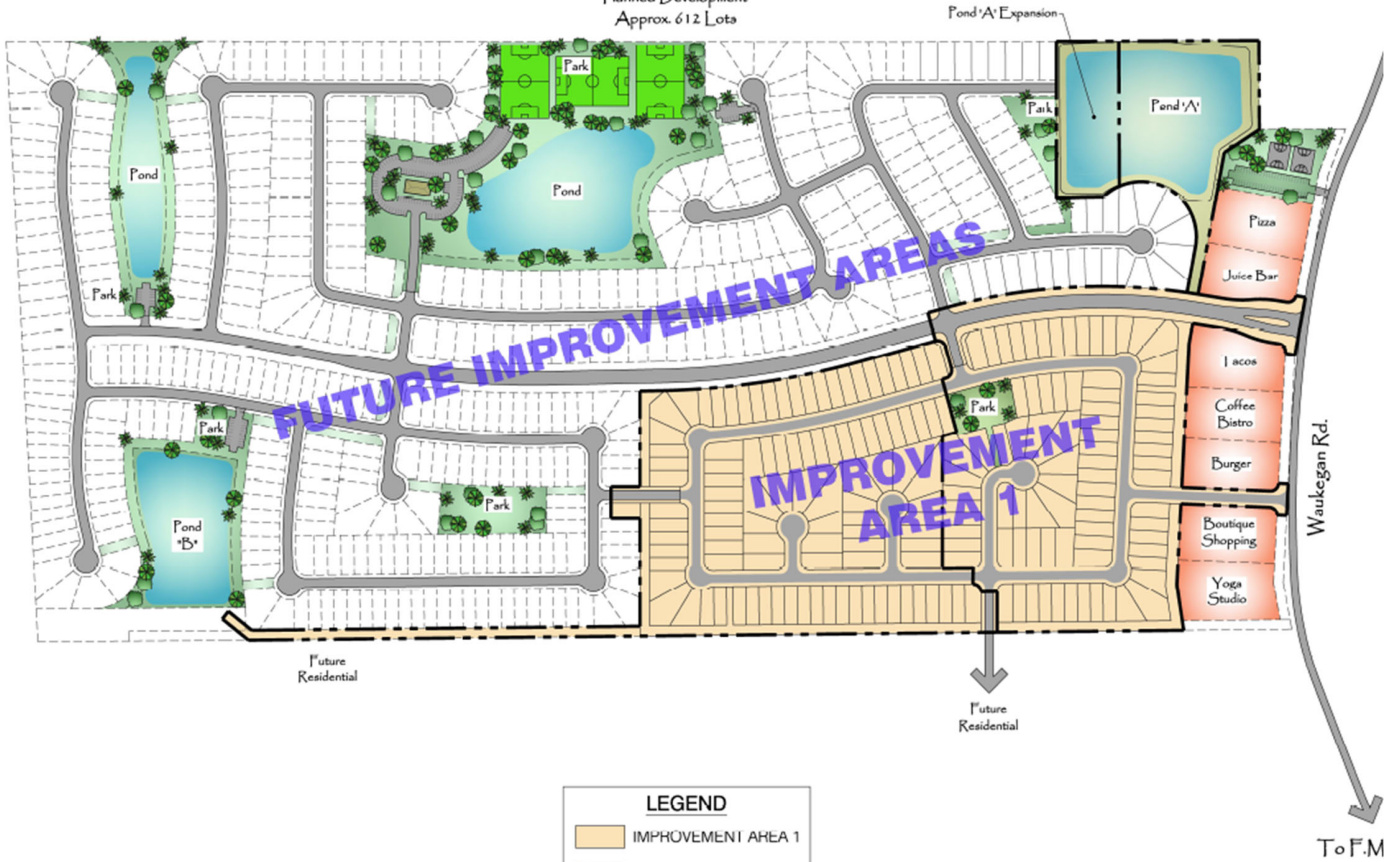


MAP SHOWING CONCEPT PLAN FOR THE DISTRICT



Conceptual Master Plan of
MEADOW PARK
Planned Development
Approx. 612 Lots

To St



LEGEND	
	IMPROVEMENT AREA 1
	DETENTION
	COMMERCIAL

NOTE:
PLATTED SECTIONS 1-9 ARE SUBSETS OF IMPROVEMENT
AREA NO. 1 AND FUTURE IMPROVEMENTS.

USE OF LIMITED OFFERING MEMORANDUM

FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM ("RULE 15C2-12"), THIS DOCUMENT CONSTITUTES AN "OFFICIAL STATEMENT" OF THE COUNTY WITH RESPECT TO THE SERIES 2025 BONDS THAT HAS BEEN "DEEMED FINAL" BY THE COUNTY 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 COUNTY 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 SERIES 2025 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 SERIES 2025 BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS." EACH PROSPECTIVE INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2025 BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE SERIES 2025 BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE SERIES 2025 BONDS ARE SET FORTH UNDER "BONDHOLDERS' RISKS" HEREIN. EACH INITIAL PURCHASER, BY ACCEPTING THE SERIES 2025 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 COUNTY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE COUNTY 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 COUNTY OR THE DEVELOPER SINCE THE DATE HEREOF.

NONE OF THE COUNTY, 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 SERIES 2025 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 SERIES 2025 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 SERIES 2025 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COUNTY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

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

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SERIES 2025 BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$7,166,000*

MONTGOMERY COUNTY, TEXAS

(a political subdivision of the State of Texas)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(MEADOW PARK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to provide certain information in connection with the issuance and sale by Montgomery County, Texas (the “County”), of its \$7,166,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Meadow Park Public Improvement District Improvement Area #1 Project) (the “Series 2025 Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE SERIES 2025 BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. THE LIMITATION OF THE INITIAL OFFERING TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2025 BONDS. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND/OR INTEREST ON THE SERIES 2025 BONDS. THE SERIES 2025 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BONDHOLDERS’ RISKS,” AND “SUITABILITY FOR INVESTMENT.”

The Series 2025 Bonds are being issued by the County pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an order authorizing the issuance of the Series 2025 Bonds expected to be adopted by the Commissioners Court of the County (the “Commissioners Court”) on January 7, 2025 (the “Bond Order”), and an Indenture of Trust, dated as of January 15, 2025 (the “Indenture”) expected to be entered into by and between the County and Regions Bank, as trustee (the “Trustee”). Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Series 2025 Bonds. *All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX B – Form of Indenture.”*

The Series 2025 Bonds are the initial series of the Bonds Similarly Secured to be issued pursuant to the Indenture. The Bonds Similarly Secured will be secured by a first and prior lien on and pledge of the Trust Estate, consisting primarily of revenue from Improvement Area #1 Assessments levied against assessable property located within Improvement Area #1 of the Meadow Park Public Improvement District (the “District”) pursuant to a separate order adopted by the Commissioners Court on July 23, 2024 (the “Assessment Order”), all to the extent and upon the conditions described in the Indenture. Any Refunding Bonds, if any, (the Series 2025 Bonds and any Refunding Bonds, if issued, collectively, the “Bonds Similarly Secured”) may be issued on parity with the Series 2025 Bonds. The service and assessment plan approved pursuant to the Assessment Order (the “Original Service and Assessment Plan”) will be amended and restated to provide for the issuance of the Series 2025 Bonds (the “2025 Amended and Restated Service and Assessment Plan,” and as updated and amended from time to time, including any Annual Service Plan Update, the “Service and Assessment Plan”). See “SECURITY FOR THE BONDS SIMILARLY SECURED” and “ASSESSMENT PROCEDURES.”

Set forth herein are brief descriptions of the County, the District, the Administrator (as defined herein), the Bond Order, the Assessment Order, the Service and Assessment Plan, the Development Agreement (defined herein),

* Preliminary; subject to change.

the Reimbursement Agreement (defined herein), and Meadow Park, Ltd., a Texas limited partnership (the “Developer”), together with summaries of terms of the Series 2025 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 Series 2025 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 Series 2025 Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Phone: (214) 302-2246. The form of Indenture appears in “APPENDIX B – Form of Indenture” and the Service and Assessment Plan appears as “APPENDIX C – Form of Service and Assessment Plan.” 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 in this Limited Offering Memorandum.

PLAN OF FINANCE

Overview

Following receipt of a petition from the Developer in accordance with the PID Act, the County created the District on April 12, 2022. The District is composed of approximately 167.152 acres located within the unincorporated area of the County and the extraterritorial jurisdiction of the City of Cut and Shoot, Texas (the “City”). The District is located just south of S.H. 105, along the west line of Willis-Waukegan Road, in Conroe, Montgomery County, Texas 77306. On July 23, 2024, the Commissioners Court adopted an order approving the Original Service and Assessment Plan, which determined the costs of certain public improvements benefiting an area of approximately 44.457 acres located within the District (“Improvement Area #1”) to be financed through the District. Maps of the District, Improvement Area #1 and the surrounding region are included on pages iv – vi.

Development Plan

The Developer purchased the property within the District on March 31, 2017, and is developing the District as a single-family residential development marketed as Meadow Park (the “Development”). The Developer’s development plans for the District consist of the construction of the detention improvements (the “Major Improvements”) and the construction of the street, drainage and park improvements (the “Improvement Area #1 Improvements”). See the concept plan for the District on page vi. See “THE DEVELOPMENT.”

The total costs of the Improvement Area #1 Authorized Improvements (as defined herein) are expected to be approximately \$7,810,585, all of which have been or will be paid by the Developer from cash on hand and proceeds of the Development Loan (as defined herein). A portion of such costs is expected to be reimbursed with proceeds of the Series 2025 Bonds. As of November 30, 2024, the Developer has spent approximately \$5,972,736 on constructing the Improvement Area #1 Improvements and \$0 on Major Improvements. The County and the Developer entered into the Agreement for the Construction and Funding of Authorized Improvements and Reimbursement of Advances, dated as of June 13, 2023 (the “Reimbursement Agreement”), which provides, in part, for the deposit of the Improvement Area #1 Assessments and the proceeds from the issuance and sale of the Series 2025 Bonds, and the payment of the Actual Costs of the Improvement Area #1 Projects (as defined herein). The Developer agrees to pay, without a right to reimbursement, any Actual Costs of the Improvement Area #1 Projects set forth in the Service and Assessment Plan that are not funded by bond proceeds. See “THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS” and “APPENDIX G – Reimbursement Agreement.”

In addition to the Improvement Area #1 Projects, the Developer constructed certain internal water, wastewater and electrical improvements necessary to serve the District (the “Private Improvements”), as further described under “THE DEVELOPMENT – Water, Wastewater and Electrical Improvements.” The total costs of the Private Improvements were approximately \$1,890,987, all of which has been financed by the Developer without reimbursement by the County.

The Developer began construction of the Improvement Area #1 Improvements in the second quarter of 2022 and has completed all of the Improvement Area #1 Improvements. The Developer will begin construction of the Improvement Area #1 Major Improvements (as defined herein) in the first quarter of 2025, which are expected to be completed by the third quarter of 2025. Concurrently with the Improvement Area #1 Improvements, the Developer

commenced construction of the Private Improvements, which have also been completed. See “THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS” and “THE DEVELOPMENT – Development Plan and Status of Development,” “– Water, Wastewater and Electrical Improvements” and “– Amenities.”

The Development is expected to include approximately 612 40’ single-family residential lots. Improvement Area #1 is expected to include 186 lots, and the remaining approximately 122.695 acres located within the District (the “Remainder Area”) is expected to include 426 lots and 102,480 square feet of commercial property. See “THE DEVELOPMENT.”

Developer and Homebuilders

The Developer has entered into lot purchase agreements with two merchant homebuilders, Lennar Homes of Texas Land and Construction, Ltd. (“Lennar Homes”) and First America Homes, Ltd. (“First America Homes”) (collectively, the “Homebuilders”) for all lots within Improvement Area #1. The Homebuilders have collectively deposited \$200,000 in earnest money with the Developer. As of November 30, 2024, (i) Lennar Homes had taken down 59 lots, and homes on all 59 lots were in various stages of constructions with 49 homes closed to homeowners and (ii) First America Homes had taken down 24 lots and had homes in various stages of construction on 16 lots with 10 homes closed to homeowners. See “THE DEVELOPMENT – Developer and Homebuilders – EXPECTED ABSORPTION OF LOTS IN IMPROVEMENT AREA #1.”

The Series 2025 Bonds

Proceeds of the Series 2025 Bonds will be used for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) funding a reserve fund for payment of principal and interest on the Series 2025 Bonds, (iii) funding the initial deposit to the Administrative Fund for payment of the initial Annual Collection Costs and (iv) paying costs of issuance of the Series 2025 Bonds. See “SOURCES AND USES OF FUNDS,” “IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS” and “APPENDIX B – Form of Indenture.”

Payment of the Bonds Similarly Secured is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of Pledged Revenues derived from Improvement Area #1 Assessments levied against the Improvement Area #1 Assessed Property within the District, all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED,” “ASSESSMENT PROCEDURES,” and “APPENDIX B – Form of Indenture.”

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

Future Improvement Area Bonds

The Developer expects to request that the County issue one or more series of bonds to finance (i) the costs of the Authorized Improvements solely benefitting the property in one or more improvements areas to be developed within the Remainder Area (as defined in the Service and Assessment Plan) (the “Future Improvement Areas”). The estimated costs of such improvements will be determined as development progresses, and the Service and Assessment Plan will be updated to identify the Authorized Improvements to be constructed and financed by each series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments to be levied pursuant to the PID Act on assessable property within such Future Improvement Area that benefit from the Authorized Improvements. See “THE DEVELOPMENT – Development Plan and Status of Development.”

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser (each, an “Investor”) is advised that the Series 2025 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 Series 2025 Bonds will be deemed to have acknowledged, represented, and warranted to the County as follows:

1. The Investor has authority and is duly authorized to purchase the Series 2025 Bonds and to execute any instruments and documents required to be executed by the Investor in connection with the purchase of the Series 2025 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 Series 2025 Bonds.

3. The Series 2025 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 Series 2025 Bonds, and the Investor intends to hold the Series 2025 Bonds solely for its own account for investment purposes and for an indefinite period of time and does not intend at this time to dispose of all or any part of the Series 2025 Bonds. However, the Investor may sell the Series 2025 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 Series 2025 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 Series 2025 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 County, the Improvement Area #1 Projects, the Series 2025 Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Series 2025 Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Series 2025 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 County in connection with the Investor’s purchase of the Series 2025 Bonds. The Investor agrees that none of the County, its commissioners, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Series 2025 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 County.

6. The Investor acknowledges that the obligations of the County under the Indenture are special, limited obligations payable solely from amounts paid by the County pursuant to the terms of the Indenture and the County shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the County for amounts due under the Indenture. The Investor understands that the Series 2025 Bonds are not secured by any pledge of any moneys received or to be received from taxation by the County, the State or any political subdivision or taxing district thereof; that the Series 2025 Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the County, 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 Series 2025 Bonds; and that the liability of the County and the State with respect to the Series 2025 Bonds is subject to further limitations as set forth in the Series 2025 Bonds and the Indenture.

7. The Investor has made its own inquiry and analysis with respect to the Series 2025 Bonds and the security therefor. The Investor is aware that the development of Improvement Area #1 involves certain economic and regulatory variables and risks that could adversely affect the security for the Series 2025 Bonds.

8. The Investor acknowledges that the sale of the Series 2025 Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

DESCRIPTION OF THE SERIES 2025 BONDS

General Description

The Series 2025 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 Series 2025 Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Series 2025 Bonds will be payable on each March 15 and September 15, commencing March 15, 2025 (each an “Interest Payment Date”), until maturity or prior redemption. Regions Bank, Dallas, Texas is the initial Trustee, Paying Agent, and Registrar for the Series 2025 Bonds.

The Series 2025 Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof; provided, however, that if the total principal amount of the Outstanding Bonds Similarly Secured is less than \$100,000, then the Authorized Denomination of such Outstanding Bond Similarly Secured shall be the amount of the Outstanding Bonds Similarly Secured. Notwithstanding the foregoing, Authorized Denominations shall also include Bonds Similarly Secured issued in \$1,000 in principal amount and integral multiples of \$1,000 in the following instances: (A) any Bonds Similarly Secured or any portion thereof that have been redeemed in part pursuant to an extraordinary optional redemption or (B) any Bonds Similarly Secured or any portion thereof that have been defeased in part pursuant to an extraordinary optional redemption. Upon initial issuance, the ownership of the Series 2025 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 Series 2025 Bonds will be made in book-entry-only form. See “BOOK-ENTRY-ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

Redemption Provisions

Optional Redemption. The County reserves the right and option to redeem Series 2025 Bonds maturing on or after [____], before their respective scheduled maturity date, in whole or in part, on any date on or after [____], such redemption date or dates to be fixed by the County, at a redemption price equal to 100% of the principal amount of such Bonds Similarly Secured called for redemption, or portions thereof, to be redeemed plus accrued and unpaid interest to the date fixed for redemption (the “Redemption Price”). The County shall notify the Trustee in writing no less than 45 days before the redemption date fixed by the County in accordance with the Indenture.

Extraordinary Optional Redemption. The County reserves the right and option to redeem Bonds Similarly Secured before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price, from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. See “ASSESSMENT PROCEDURES – Prepayment of Assessments” for the definition and description of Prepayments. See also “APPENDIX B – Form of Indenture.”

Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption pursuant to the Indenture unless it has at least \$1,000 available in the Redemption Fund with which to redeem the Bonds Similarly Secured.

Mandatory Sinking Fund Redemption. The Series 2025 Bonds are subject to mandatory sinking fund redemption prior to their respective Stated Maturity and will be redeemed by the County in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

§ Term Bonds Maturing []

Redemption Date

Principal Amount

[†] Final maturity.

At least 45 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the following two paragraphs, the Trustee shall select for redemption by lot, a principal amount of Series 2025 Bonds of such maturity equal to the Sinking Fund Installment of such Series 2025 Bonds to be redeemed on such mandatory sinking fund redemption date, shall call such Series 2025 Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The Sinking Fund Installments of Series 2025 Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to the Indenture shall be reduced, at the option of the County, by the principal amount of any Series 2025 Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the County at a price not exceeding the principal amount of such Series 2025 Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The Sinking Fund Installments of Series 2025 Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to the Indenture shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Series 2025 Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in the Indenture or the extraordinary optional redemption provisions in the Indenture and not previously credited to a mandatory sinking fund redemption.

Partial Redemption.

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

If less than all of a series of Bonds Similarly Secured are called for optional redemption pursuant the Indenture, the County shall, pursuant to a County Certificate, determine the Bond Similarly Secured or Bonds Similarly Secured or the amount thereof within a Stated Maturity to be redeemed and direct the Trustee to call by lot the Bonds Similarly Secured, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

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

Notice of Redemption. The Trustee shall give notice of any redemption of Bonds Similarly Secured by sending notice by United States mail, first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond Similarly Secured or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds Similarly Secured are in book-entry-only form and held by DTC as security depository, Owner in the Indenture means Cede & Co., as nominee for DTC.

The notice shall state the redemption date, the Redemption Price, the place at which the Bonds Similarly Secured are to be surrendered for payment, and, if less than all the Bonds Similarly Secured Outstanding are to be redeemed, and subject to the Indenture, an identification of the Bonds Similarly Secured 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 Similarly Secured shall become due and payable.

Any notice given as provided in the Indenture shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

With respect to any optional redemption of the Bonds Similarly Secured, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds Similarly Secured to be redeemed before giving a notice of redemption, the notice may state the County 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 County shall not redeem the Bonds Similarly Secured and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds Similarly Secured have not been redeemed.

Effect of Redemption. Notice of redemption having been given as provided in the Indenture, the Bonds Similarly Secured 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 Similarly Secured to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds Similarly Secured or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds Similarly Secured are presented and surrendered for payment on such date.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Series 2025 Bonds is to be transferred and how the principal of, premium, if any, and interest on the Series 2025 Bonds are to be paid to and credited by DTC while the Series 2025 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 County and the Underwriter believe the source of such information to be reliable, but neither the County nor the Underwriter takes responsibility for the accuracy or completeness thereof.

The County cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Series 2025 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 Series 2025 Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 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 Series 2025 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 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 Series 2025 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 Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2025 Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Series 2025 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 Series 2025 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 Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 Series 2025 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 detailed information from the County 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 County, 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 County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2025 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2025 Bond certificates will be printed and delivered. Thereafter, Series 2025 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 County believes to be reliable, but none of the County, the County's Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

NONE OF THE COUNTY, THE TRUSTEE, THE PAYING AGENT/REGISTRAR, THE COUNTY'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 SERIES 2025 BONDS. THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2025 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 Series 2025 Bonds. Potential 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 SERIES 2025 BONDS, ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COUNTY, 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 COUNTY. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE COUNTY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE COUNTY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY FOR THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE COUNTY OTHER THAN THE TRUST ESTATE. SEE “APPENDIX B – FORM OF INDENTURE.”

The principal of, premium, if any, and interest on the Bonds Similarly Secured, including the Series 2025 Bonds, are secured by and payable from a first lien on and pledge of the Trust Estate, all to the extent and upon the conditions described in the Indenture. See “APPENDIX B – Form of Indenture.” Refunding Bonds, if any, may be issued on parity with the Series 2025 Bonds. In accordance with the PID Act, on July 23, 2024, the County caused the preparation and approval of a Service and Assessment Plan to be used in connection with the levy of assessments in Improvement Area #1 of the District. The Service and Assessment Plan describes the special benefit received by the property within Improvement Area #1, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Improvement Area #1 Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds Similarly Secured. The Service and Assessment Plan will be reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments of Improvement Area #1 Assessments due in a given year. The determination by the County of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the Commissioners Court 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.”

In connection with the Commissioners Court’s approval of the Series 2025 Bonds expected to occur on January 7, 2025, and as provided in the Bond Order, the County expects to approve the 2025 Amended and Restated Service and Assessment Plan, which will amend and restate the Original Service and Assessment Plan and reflect the actual interest rate on the Series 2025 Bonds, as well as the additional interest collected pursuant to Section 372.018(a) of the PID Act. See “APPENDIX C – Form of Service and Assessment Plan.”

Pledged Revenues

The County is authorized by the PID Act, the Assessment Order, and other provisions of applicable law to finance the Improvement Area #1 Projects by levying Improvement Area #1 Assessments upon properties in Improvement Area #1 of the District benefitted thereby. For a description of the assessment methodology and the amounts of Improvement Area #1 Assessments levied in the District, see “ASSESSMENT PROCEDURES” and “APPENDIX C – Form of Service and Assessment Plan.”

The Bonds Similarly Secured, including the Series 2025 Bonds, are secured by and payable from a first lien on and pledge of the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture.

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

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

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

“Additional Interest Rate” means the additional interest rate, not to exceed 0.50%, that may be charged on the Improvement Area #1 Assessments pursuant to Section 372.018 of the PID Act.

“Additional Interest Reserve Account” means the reserve account administered by the County and segregated from other funds of the County in accordance with the provisions of the 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 note or time warrant secured in whole or in part by an assessment, other than the Improvement Area #1 Assessments securing the Bonds Similarly Secured, levied against property within Improvement Area #1 in accordance with the PID Act.

“Administrative Fund” means that fund established by the Indenture and administered pursuant to the Indenture.

“Administrator” means the County or third-party designee of the County who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the County related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

“Annual Collection Costs” means the actual or budgeted costs and expenses for: (1) the Administrator and County staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the County; (3) calculating, collecting, and maintaining records with respect to Improvement Area #1 Assessments and Annual Installments; (4) preparing and maintaining records with respect to the Improvement Area #1 Assessment Roll and Annual Service Plan Updates; (5) issuing, paying, and redeeming the Bonds Similarly Secured; (6) investing or depositing Improvement Area #1 Assessments and Annual Installments; (7) complying with the Service and Assessment Plan and the PID Act with respect to the administration of a reimbursement agreement and the issuance and sale of the Bonds Similarly Secured, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with the Bonds Similarly Secured, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds 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 the Improvement Area #1 Assessed Property, each annual payment of (i) the Improvement Area #1 Assessments (including both principal of and interest on the Improvement Area #1 Assessments) as shown on the Improvement Area #1 Assessment Roll attached to the Service and Assessment Plan as Exhibit F-1, or in an Annual Service Plan Update, and calculated as provided in the Service and Assessment Plan, (ii) Annual Collection Costs, and (iii) Additional Interest.

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the Commissioners Court.

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

“Assessment Revenue” means monies collected by or on behalf of the County from any one or more of the following: (i) an Improvement Area #1 Assessment levied against an Improvement Area #1 Assessed Property, or Annual Installment payment thereof, including any interest on such Improvement Area #1 Assessment or Annual Installment thereof during any period of delinquency, but excluding any portion of the Annual Installment allocable to Annual Collection Costs, (ii) a Prepayment, and (iii) Foreclosure Proceeds. Assessment Revenues do not include Delinquent Collection Costs.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act including those listed in Section III of the Service and Assessment Plan and whose estimated costs are shown in Exhibit B-1 of the Service and Assessment Plan.

“Bonds Similarly Secured” means the Outstanding Series 2025 Bonds and any Outstanding Refunding Bonds hereafter issued pursuant to and secured under the Indenture.

“Bond Pledged Revenue Account” means the account established pursuant to the 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 County or the Trustee.

“Certificate for Payment” means a certificate substantially in the form attached hereto as Exhibit B or otherwise approved by the Developer and the County Representative executed by a Person approved by the County Representative, delivered to the County Representative and the Trustee specifying the amount of work performed and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in the Project Fund as further described in the Development Agreement and the Indenture.

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

“County Representative” means any official or agent of the County authorized by the Commissioners Court to undertake the action referenced herein.

“Delinquent Collection Costs” means costs related to the foreclosure on Improvement Area #1 Assessed Property and the costs of collection of delinquent Improvement Area #1 Assessments, delinquent Annual Installments, or any other delinquent amounts due under the Service and Assessment Plan, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

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

“Improvement Area #1” means 44.457 acres located within the District specifically described in Exhibit L-2 of the Service and Assessment Plan, and depicted on Exhibit A-2 of the Service and Assessment Plan.

“Improvement Area #1 Assessed Property” means each respective parcel of land located within Improvement Area #1 of the District against which an Improvement Area #1 Assessment is levied.

“Improvement Area #1 Assessment Roll” means the assessment roll attached as Exhibit F-1 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 Improvement Area #1 Assessment against the Improvement Area #1 Assessed Property related to the Bonds Similarly Secured and the Improvement Area #1 Projects, 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 Assessments” means the aggregate assessments shown on the Improvement Area #1 Assessment Roll.

“Improvement Area #1 Improvements” means the Authorized Improvements that benefit Improvement Area #1 Assessed Property, as more specifically described in Section III.B of the Service and Assessment Plan and depicted on Exhibit G to the Service and Assessment Plan.

“Improvement Area #1 Major Improvements” means Improvement Area #1’s allocable share of the Major Improvements.

“Improvement Area #1 Projects” means, collectively, the Improvement Area #1 Improvements and the Improvement Area #1 Major Improvements.

“Major Improvements” mean the Authorized Improvements that benefit the entire District and are more specifically described in Section III.A of the Service and Assessment Plan.

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

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

“PID Bonds” means any bonds issued by the County, in one or more series, secured in whole or in part by an assessment levied against a parcel within the District and imposed pursuant to an assessment order and the provisions in the Service and Assessment Plan, including the Series 2025 Bonds and any Refunding Bonds.

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

“Pledged Revenues” means the sum of (i) Assessment Revenue, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the County may pledge to the payment of Bonds Similarly Secured.

“Prepayment” means the payment of all or a portion of an Improvement Area #1 Assessment before the due date thereof.

“Principal and Interest Account” means the account of such name established pursuant to the Indenture and administered pursuant to the Indenture.

“Project Collection Fund” means that fund established pursuant to the Indenture and administered pursuant to the Indenture.

“Project Fund” means that fund established pursuant to the Indenture and administered pursuant to the Indenture.

“Redemption Account” means the account established pursuant to the Indenture and administered pursuant to the Indenture.

“Redemption Fund” means that fund established pursuant to the Indenture and administered pursuant to the Indenture.

“Refunding Bonds” means bonds 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.

“Reserve Fund” means that fund established pursuant to the Indenture and administered pursuant to the Indenture.

“Service and Assessment Plan” means the 2025 Amended and Restated Service and Assessment Plan, as may be updated and amended from time to time, including any Annual Service Plan Update.

“Trust Estate” means all of the moneys, rights and properties described in the “Granting Clauses” in the Indenture, consisting of (i) the 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 County to receive any of such moneys or investments, whether existing on the date of the Indenture or thereafter coming into existence, and whether acquired on the date of the Indenture or thereafter 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 under the Indenture by the County or by anyone on its behalf or with its written consent, and the Trustee is authorized pursuant to the Indenture 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.

The County will covenant, agree, and warrant in the Indenture that, for so long as any Bonds Similarly Secured are Outstanding, the County will take and pursue all reasonable actions permissible under Applicable Laws to cause the Improvement Area #1 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments. See “– Pledged Revenue Fund,” “APPENDIX B – Form of Indenture,” and “APPENDIX C – Form of Service and Assessment Plan.”

The PID Act provides that the Improvement Area #1 Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens or claims, except liens and claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named, and runs with the land. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Order until the Improvement Area #1 Assessments are paid (or otherwise discharged), and is enforceable by the Commissioners Court in the same manner that an ad valorem property tax levied against real property may be enforced by the Commissioners Court. See “ASSESSMENT PROCEDURES.”

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Order. 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 Order (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. See “BONDHOLDERS’ RISKS – Assessment Limitations.”

Collection and Enforcement of Assessments

For so long as any Bonds Similarly Secured are Outstanding, the County covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Improvement Area #1 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Improvement Area #1 Assessments.

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

The County will determine or cause to be determined, no later than March 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the County 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 County shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Improvement Area #1 Assessments or the corresponding property. Furthermore, nothing shall obligate the County, the County 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 County and its appropriate collections enforcement designees.

Unconditional Levy of Assessments

The County imposed Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property to pay the principal of and interest on the Bonds Similarly Secured scheduled for payment from the 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 became effective on the date of, and strictly in accordance with the terms of, the Assessment Order. Each Improvement Area #1 Assessment may be paid in full or in part at any time, 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 Service and Assessment Plan, interest on the portion of the Improvement Area #1 Assessments which secures the Series 2025 Bonds will be calculated at the rate of interest on the Series 2025 Bonds plus up to 0.50%, calculated on the basis of a 360-day year of twelve 30-day months. 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. Each Annual Installment, including the interest on the unpaid amount of an Improvement Area #1 Assessment, shall be calculated annually and shall be due 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 County will collect, each year while the Bonds Similarly Secured are Outstanding and unpaid, a portion of each Annual Installment to pay the annual costs incurred by the County in the administration and operation of the District. The portion of each Annual Installment used to pay such annual costs shall remain in effect from year to year until all Bonds Similarly Secured are finally paid or until the County adjusts the amount of such annual costs after an annual review in any year pursuant to Section 372.013 of the PID Act. The assessments to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Order on or about October 1 of each year and shall be delinquent if not paid by February 1 of the following year. **Such amounts collected to pay Annual Collection Costs do not secure repayment of the Bonds Similarly Secured.**

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

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

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)

shall continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, which is the date of the initial delivery and payment for the Series 2025 Bonds, 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 Series 2025 Bonds and the pledge of the Trust Estate granted by the County under the Indenture, and such pledge is therefore valid, effective and perfected. 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 County under the Indenture is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, as amended, then in order to preserve to the registered owners of the Bonds Similarly Secured the perfection of the security interest in said pledge, the County agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur. See "APPENDIX B – Form of Indenture."

Pledged Revenue Fund

The County will create under the Indenture a Pledged Revenue Fund to be held by the Trustee. On or before March 1 and on or before the first day of each month thereafter while the Bonds Similarly Secured are Outstanding, the County shall deposit or cause to be deposited with the Trustee all Pledged Revenues, if any, other than the Pledged Revenues on deposit in the Project Collection Fund, which revenues shall be transferred in accordance with the Indenture, into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, including the Pledged Revenues transferred from the Project Collection Fund pursuant to the Indenture, the Trustee shall deposit or cause to be deposited Assessment Revenues in the following order of priority: (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 in an amount equal to the Additional Interest collected, up to the Additional Interest Reserve Requirement in accordance with the Indenture; and (iv) fourth, as instructed by the County pursuant to a County Certificate, to pay other costs permitted by the PID Act. Along with each deposit of Pledged Revenues from the Project Collection Fund to the Pledged Revenue Fund, the County shall provide a County Certificate to the Trustee identifying (i) the portions of the Pledged Revenues attributable to principal (including Sinking Fund Installments) and interest on the Bonds Similarly Secured, Additional Interest, Prepayments and Foreclosure Proceeds, (ii) the Funds and Accounts into which the amounts are to be deposited and (iii) the amounts of any payments to be made from such Funds and Accounts.

From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five 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.

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 immediately preceding paragraph, 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 the Indenture.

Notwithstanding the first paragraph under this subcaption, 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 Account.

Notwithstanding the first paragraph under this subcaption, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and promptly 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 Improvement Area #1 Assessed Property 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 Improvement Area #1 Assessed Property to which the Foreclosure Proceeds relate, and third to the Redemption Account.

Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the County pursuant to a County 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 of the Bond Fund and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and/or interest then due and payable on the Bonds Similarly Secured.

If amounts in the Principal and Interest Account are insufficient for the purposes set forth in the immediately precedent paragraph above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in the Indenture. 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 below.

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 County Certificates.

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 Projects. Disbursements from the Improvement Area #1 Improvement Account to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment in the form attached to the Indenture. The disbursement of funds from the Improvement Area #1 Improvement Account shall be pursuant to and accordance with the disbursement procedures described in the Development Agreement.

If the County 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 Projects such that, in the opinion of the County Representative, it is unlikely that the amounts in the Improvement Area #1 Improvement Account will ever be expended for the purposes of the Improvement Area #1 Improvement Account and all outstanding amounts due to the Developer to reimburse it under one or more approved Certificate for Payments pursuant to the terms of the Development Agreement have been made, the County Representative shall file a County Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Improvement Account that are not expected to be used for purposes of the Improvement Area #1 Improvement Account. If such County Certificate is so filed, the amounts on deposit in the Improvement Area #1 Improvement Account shall be transferred to the Redemption Account to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture and the Improvement Area #1 Improvement Account shall be closed.

Upon the filing of a County Certificate stating that all Improvement Area #1 Projects have been completed and that all Actual Costs of the Improvement Area #1 Projects have been paid, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #1 Improvement Account to the Principal and Interest Account 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 Indenture and the Costs of Issuance Account of the Project Fund has been closed pursuant to the Indenture, the Project Fund shall be closed.

In making any determination pursuant to the Indenture, the County Representative may conclusively rely upon a certificate of an Independent Financial Consultant or a report issued by the County's engineer.

Not later than six months following the respective Closing Date, upon a determination by the County Representative that all costs of issuance of the applicable series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Area #1 Improvement Account, and used to pay Actual Costs or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds Similarly Secured, as directed by the County in a County Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Redemption Fund

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee shall cause to be deposited to the Redemption Account, from the Bond Pledged Revenue Account of the Pledged Revenue Fund, an amount sufficient to redeem Bonds Similarly Secured as provided in the Indenture on the dates specified for redemption as provided in the Indenture. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds Similarly Secured as provided in the Indenture. The Trustee may establish subaccounts within the Redemption Account as may be necessary to effectuate the redemption or defeasance of one or more Series of Bond Similarly Secured.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds Similarly Secured. The Reserve Account will initially be funded with a deposit of \$[_____] from the proceeds of the Series 2025 Bonds and the County agrees with the Owners of the Bonds Similarly Secured to accumulate from the deposits outlined in the Indenture, 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 the immediately succeeding paragraph. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund or the Redemption Fund as provided in the Indenture. Pursuant to the Indenture, the "Reserve Account Requirement" for the Series 2025 Bonds is the least of, as of the Closing Date of the Series 2025 Bonds: (i) Maximum Annual Debt Service on the Series 2025 Bonds, (ii) 125% of average Annual Debt Service on the Series 2025 Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Series 2025 Bonds. For the purpose of calculating Maximum Annual Debt Service and Annual Debt Service for the Reserve Account Requirement, Bond Year ending September 30, 2025 shall be excluded. As of the Closing Date of the Series 2025 Bonds, the Reserve Account Requirement is \$[_____] which is an amount equal to Maximum Annual Debt Service on the Series 2025 Bonds.

Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayment(s) pursuant to the Indenture, the Trustee, pursuant to a County Certificate, shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the County and the Trustee), from the Reserve Account to the Redemption Account(s) to which the Prepayment(s) relate, an amount specified in such County Certificate to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account 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 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(s) toward payment of accrued and unpaid interest to the date of redemption on the Bonds Similarly Secured to be redeemed, there are insufficient funds in the Redemption Fund, including all of the Accounts therein, 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 County Certificate, as a result of such Prepayment(s) and as a result of the transfer from the Reserve Account under the provision in this paragraph, the Trustee shall transfer an amount equal to the shortfall, 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 Account 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 County Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the County 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 the Indenture, unless within 30 days of such notice to the County Representative, the Trustee receives a County Certificate instructing the Trustee to apply such excess: (i) to pay amounts due to the Rebate Fund pursuant to the Indenture; (ii) to the Improvement Area #1 Improvement Account of the Project Fund, to the extent such Account has not been closed, if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture; or (iii) for such other use specified in such County Certificate if the County 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. The Trustee shall incur no liability for the accuracy or validity of any such transfer so long as the Trustee made such transfer in compliance with this Section and in accordance with a County Certificate.

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 and interest on all Outstanding Bonds Similarly Secured on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds Similarly Secured as of such Interest Payment Date, the moneys shall be transferred to the Redemption Account and thereafter used to redeem all Outstanding Bonds Similarly Secured as of such Interest Payment Date.

Additional Interest Reserve Account of the Reserve Fund

Pursuant to the Indenture, an Additional Interest Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds Similarly Secured. The Trustee, if needed, will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account, to the extent that the Reserve Account contains the Reserve Account Requirement and funds are available after application of the deposit priority in the Indenture, an amount equal to the Additional Interest 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 County, in writing, of the amount of such shortfall, and the County shall resume depositing the Additional Interest from 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 County 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. The Additional Interest Reserve Requirement is [5.5]% of the principal amount of the Outstanding Bonds Similarly Secured. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Account and shall notify the County of such transfer in writing.

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 County, specifying the amount withdrawn and the source of said funds.

Whenever, on any Interest Payment Date, or on any other date at the request of the County pursuant to a County Certificate, the amount on deposit in the Additional Interest Reserve Account of the Reserve Fund exceeds the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the County of the amount of the excess (the "Excess Additional Interest Reserve Amount"). The Excess Additional Interest Reserve Amount on deposit in the Additional Interest Reserve Account of the Reserve Fund shall be transferred, at the direction of the

County pursuant to a County Certificate, by the Trustee to the Redemption Fund, and the Trustee shall notify the County of such transfer in writing. In transferring the amounts to be transferred pursuant to the Indenture, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #1 Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a County Certificate directing that a different amount be used.

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, and second, from the Reserve Account 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.

Administrative Fund

The County will create under the Indenture an Administrative Fund held by the Trustee. The County shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay the Annual Collection Costs and Delinquent Collection Costs, other than the Annual Collection Costs and Delinquent Collection Costs deposited into the Project Collection Fund, which amounts shall be deposited in accordance with the Indenture. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a County Certificate solely for the purposes set forth in the Service and Assessment Plan. **THE ADMINISTRATIVE FUND SHALL NOT BE PART OF THE TRUST ESTATE AND SHALL NOT BE SECURITY FOR THE BONDS SIMILARLY SECURED.** See “APPENDIX C – Form of Service and Assessment Plan.”

Project Collection Fund

The County will create under the Indenture a Project Collection Fund held by the Trustee. While any Bonds Similarly Secured are Outstanding, the Montgomery County Tax Office or the Montgomery Central Appraisal District, by written instructions from or agreement with the County, as applicable, may collect Assessment Revenue on the County’s behalf. If such tax office or appraisal district presents or otherwise tenders to the Trustee such collected Assessment Revenue for deposit on the County’s behalf, the Trustee shall accept such Assessment Revenue and deposit the same into the Project Collection Fund. The Trustee shall, as directed by the County pursuant to a County Certificate, deposit or cause to be deposited (i) all of that portion of the Assessment Revenue deposited into the Project Collection Fund that consists of the Annual Collection Costs and Delinquent Collection Costs to the Administrative Fund and (ii) all of that portion of the Assessment Revenue deposited into the Project Collection Fund that consists of Pledged Revenues into the Pledged Revenue Fund for future allocations as set forth in the Indenture. The County shall provide such County Certificate on or before March 1 and on or before the first day of each month thereafter while the Bonds Similarly Secured are Outstanding. The Project Collection Fund is not a Pledged Fund. If there are insufficient funds to make the deposit in full as set forth in the Indenture for the debt service payment date immediately following the required County Certificate delivery date or the deposit in full set forth in the Indenture after the County provides a County Certificate by the dates specified in the provision in this paragraph and after the Trustee deposits all Pledged Revenues received as provided in the Indenture, the County will provide additional County Certificates as soon as practicable to the Trustee from time to time upon notice from the Trustee that additional Assessment Revenues have been deposited to the Project Collection Fund and the Trustee will make the transfers contemplated by the Indenture as necessary to ensure the deposits set forth in the Indenture are made in full.

THE PROJECT COLLECTION FUND IS NOT A PLEDGED FUND AND SHALL NOT BE SECURITY FOR THE BONDS SIMILARLY SECURED.

Defeasance

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 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 at the same time, 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 County verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds 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 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 the Indenture 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 County 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”), which investments are, at the time made, included in and authorized by the County’s official investment policy as approved by the Commissioners Court 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, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the County 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 County 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 may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

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

1. The failure of the County to deposit the Assessment Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;

2. The failure of the County to enforce the collection of the Improvement Area #1 Assessments, including the prosecution of foreclosure proceedings;
3. 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 30 days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds available to the County to make any such payment; and
4. Default in the performance or observance of any covenant, agreement or obligation of the County under the Indenture and the continuation thereof for a period of 90 days after written notice to the County 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 and requesting that the failure be remedied.

Notwithstanding the foregoing, nothing in the Indenture will be viewed to be an Event of Default if it is in violation of any applicable state or federal law or court order. Nothing in paragraph 3 above shall require the County to advance funds other than Pledged Revenues that have been received by the County or other funds available in the Pledged Funds to pay principal of or interest on the Bonds Similarly Secured.

Remedies in Event of Default

Subject to provisions of the Indenture with respect to limits on liability of the County, upon the happening and continuance of any of the Events of Default described in the Indenture, the Trustee may, and at the written direction of the Owners of at least 25% of the Bonds Similarly Secured then Outstanding shall, proceed against the County for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the County may be sought or shall be permitted.

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

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

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

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (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 granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers granted in the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least 51% 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 in writing; 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 thereunder except in the manner provided therein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided therein 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 thereunder.

Subject to provisions of the Indenture with respect to limits on liability of the County, 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 County to pay each Bond Similarly Secured issued under the Indenture to the respective Owners thereof at the time and place, from the source and in the manner expressed in the Indenture 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, then and in every such case the County, the Trustee and the Owners shall be restored to their former positions and rights under the Indenture, 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, Pledged Funds 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 and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, during the continuance of an Event of Default, be applied by the Trustee, on behalf of the County, 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 or Redemption Price due and to the Owners entitled thereto, without any discrimination or preference.

Within 30 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 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 County 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 of Funds

Money in any Fund or Account established pursuant to the Indenture shall be invested by the Trustee as directed by the County pursuant to a County Certificate filed with the Trustee at least two 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. 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 may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold in order to make the disbursements required or permitted by the Indenture or to prevent any default. In the absence of direction pursuant to a County Certificate, money in any Fund or Account established pursuant to the Indenture shall be invested in accordance with 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 in the Indenture any moneys are required to be transferred by the County to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

Against Encumbrances

The County shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds 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 County shall not issue any bonds, notes or other evidences of indebtedness secured by any pledge of or other lien or charge on the Pledged Revenues, the Pledged Funds, the Trust Estate or other property pledged under the Indenture, except that the County may issue Refunding Bonds in accordance with the terms of the Indenture.

Additional Obligations or Other Liens; Refunding Bonds; Future Bonds

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

Other than Refunding Bonds, the County will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of the Indenture or the priority thereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with the Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in the Indenture shall require the County to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

Notwithstanding anything to the contrary in the Indenture, no Refunding Bonds may be issued by the County unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds are scheduled to mature on September 15 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid.

SOURCES AND USES OF FUNDS *

Series 2025 Bonds

The table that follows summarizes the sources and uses of proceeds of the Series 2025 Bonds:

Sources of Funds:	
Principal Amount	\$
TOTAL SOURCES	\$
Use of Funds:	
Deposit to Improvement Area #1 Improvement Account of the Project Fund	\$
Deposit to Costs of Issuance Account of Project Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to the Administrative Fund	
Underwriter's Discount ⁽¹⁾	
TOTAL USES	\$

⁽¹⁾ Includes Underwriter's Counsel's fee.

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DEBT SERVICE REQUIREMENTS *

The following table sets forth the debt service requirements for the Series 2025 Bonds:

<u>Year Ending</u> (<u> </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			

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* To be completed upon pricing of the Series 2025 Bonds.

OVERLAPPING TAXES AND DEBT

Overlapping Taxes and Debt

The land within Improvement Area #1 lies within the unincorporated area of the County and the extraterritorial jurisdiction of the City of Cut and Shoot. The land within Improvement Area #1 has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the County. Such taxes are payable in addition to the Improvement Area #1 Assessments.

The County, Montgomery County Hospital District, Conroe Independent School District (“Conroe ISD”), Montgomery County Emergency Services District #1 and Lone Star College may each levy ad valorem taxes upon land in Improvement Area #1 for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The County has no control over the level of ad valorem taxes or assessments levied by such other taxing authorities.

The following table reflects the overlapping ad valorem taxes currently levied on property located in Improvement Area #1.

Overlapping Taxes in Improvement Area #1

<u>Taxing Entity</u>	<u>Tax Year 2024 Ad Valorem Tax Rate</u> ⁽¹⁾
The County	\$0.37900
Montgomery County Emergency Services District #1	\$0.10000
Montgomery County Hospital District	\$0.04970
Lone Star College	\$0.10760
Conroe ISD	<u>\$0.94960</u>
Total Current Tax Rate	\$1.58590
Estimated Average Annual Installment of Improvement Area #1 Assessment in the District as a Tax Rate Equivalent ⁽²⁾	\$1.24360
Estimated Total Tax Rate and Average Annual Installment of Improvement Area #1 Assessment as a Tax Rate Equivalent ⁽²⁾	<u>\$2.82950</u>

⁽¹⁾ As reported by the taxing entities for Tax Year 2024. Per \$100 in value.

⁽²⁾ *Preliminary; subject to change.* Derived from information in the Service and Assessment Plan. Includes Improvement Area #1 Assessments levied for the payment of Series 2025 Bonds. Shown as an equivalent tax rate for illustration purposes only. See “ASSESSMENT PROCEDURES – Assessment Amounts – Method of Apportionment of Assessments” and “APPENDIX C – Form of Service and Assessment Plan.”

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

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As noted above, Improvement Area #1 includes territory located within other governmental entities' jurisdiction and such entities 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, as of December 1, 2024, and County debt to be secured by the Improvement Area #1 Assessments:

Overlapping Debt in Improvement Area #1

<u>Taxing or Assessing Entity</u>	<u>Gross Outstanding Debt as of 12/1/2024</u>	<u>Estimated % Applicable ⁽¹⁾</u>	<u>Estimated Overlapping Debt ⁽¹⁾</u>
The County (Assessments – Series 2025 Bonds)*	\$ 7,166,000	100.00%	\$7,166,000
The County (Ad Valorem Taxes)	417,980,000	0.05%	189,920
Montgomery County Emergency Services District #1	0	0.52%	0
Montgomery County Hospital District	0	0.04%	0
Lone Star College	507,100,000	0.02%	76,577
Conroe ISD	<u>2,004,715,000</u>	0.09%	<u>1,800,055</u>
Total	<u>\$2,936,961,000</u>		<u>\$9,232,552</u>

* Preliminary, subject to change.

⁽¹⁾ Based on the tax year 2024 net taxable assessed valuation for the taxing entities and the Appraisal “Upon Completion” Bulk Market Value for Improvement Area #1.

Sources: Montgomery Central Appraisal District and Municipal Advisory Council of Texas (gross outstanding debt secured by property taxes) and net taxable assessed valuation.

Homeowners’ Association Dues

In addition to the taxes and Improvement Area #1 Assessments described above, the Developer anticipates that each single-family residential lot owner in Improvement Area #1 will pay a property owner’s association fee to a homeowners’ association (the “HOA”) formed by the Developer in the approximate amount of \$900 annually.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the County determines to defray a portion of the costs of the Improvement Area #1 Authorized Improvements through Improvement Area #1 Assessments, it must adopt a resolution generally describing the Improvement Area #1 Projects and the land within the District to be subject to Improvement Area #1 Assessments to pay the cost therefor. The County has caused the Improvement Area #1 Assessment Roll to be prepared, which shows the land within the District to be assessed, the amount of the benefit to and the Improvement Area #1 Assessment against each lot or parcel of land, and the number of Annual Installments in which the Improvement Area #1 Assessment is divided. The Improvement Area #1 Assessment Roll was filed with the County Clerk 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 Projects and funding a portion of the same with Improvement Area #1 Assessments. The County levied the Improvement Area #1 Assessments and adopted the Assessment Order on July 23, 2024. After adoption of the Assessment Order, the Improvement Area #1 Assessments became legal, valid, and binding liens upon the property against which the Improvement Area #1 Assessments were made.

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

and Assessment Plan, which should be read in its entirety. See “APPENDIX C – Form of Service and Assessment Plan.”

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each Parcel of Improvement Area #1 Assessed Property as a result of the Improvement Area #1 Projects, provides the basis and justification for the determination that such special benefit exceeds the Improvement Area #1 Assessments being levied, and establishes the methodology by which the County allocates the special benefit of the Improvement Area #1 Projects 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 Projects is being funded with proceeds of the Series 2025 Bonds, which are payable from and secured by the Trust Estate consisting of the Pledged Revenues, including primarily the Improvement Area #1 Assessments.

As set forth in the Service and Assessment Plan, the benefits received as a result of the Improvement Area #1 Projects shall initially be allocated entirely to the Improvement Area #1 Assessed Property. See “APPENDIX C – Form of Service and Assessment Plan.” As the Improvement Area #1 Assessed Property is subsequently divided, the benefits received by the Improvement Area #1 Projects and the related Improvement Area #1 Assessments will be apportioned pro rata according to the Estimated Buildout Value of the newly created Parcels. See “– Assessment Amounts – Method of Apportionment of Assessments” below.

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

The table below provides the estimated value to lien analysis based on Lot Type in Improvement Area #1.

Estimated Value to Lien Analysis in Improvement Area #1

Lot Type	Planned No. of Lots	Estimated Finished Lot Value per Lot⁽¹⁾	Estimated Buildout Value per Lot⁽²⁾	Total Estimated Buildout Value⁽²⁾	Maximum Assessment per Lot⁽³⁾	Estimated Ratio of Finished Lot Value to Maximum Assessment^{(2), (3)}	Estimated Ratio of Buildout Value to Maximum Assessment^{(2), (3)}
40'	186	\$54,000	\$250,000	\$46,500,000	\$38,527	1.4:1	6.5:1

⁽¹⁾ Provided in the Appraisal. See “APPENDIX H — Appraisal.”

⁽²⁾ Provided by Developer at the time of the levy of the Improvement Area #1 Assessments.

⁽³⁾ Per \$100 of home value.

Source: The Appraisal, P3Works and information presented in the Service and Assessment Plan

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

Collection and Enforcement of Assessment Amounts

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

In the Indenture, the County covenants to collect, or cause to be collected, Improvement Area #1 Assessments as provided in the Assessment Order. No less frequently than annually, County staff or a designee of the County shall prepare, and the Commissioners Court 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. 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 County covenants, agrees, and warrants that, for so long as any Bonds Similarly Secured are Outstanding and/or amounts are due the Developer to reimburse it for its funds it has contributed to pay costs of the Improvement Area #1 Projects, the County 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. See “SECURITY FOR THE BONDS SIMILARLY SECURED – Collection and Enforcement of Assessments.”

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

The County will determine or cause to be determined, no later than March 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the County 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 County will not be required under any circumstances to purchase or make payment for the purchase of the delinquent Improvement Area #1 Assessment or the corresponding Improvement Area #1 Assessed Property. See “SECURITY FOR THE BONDS SIMILARLY SECURED – Collection and Enforcement of Assessments.”

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

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

Annual Installments will be paid to the County or its agent. Annual Installments are due when billed on or about October 1 each year and become delinquent on February 1. 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 increases at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney’s collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units

from foreclosing on property and prevent liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The maximum amounts of the Improvement Area #1 Assessments will be established by the methodology described in the Service and Assessment Plan. The Improvement Area #1 Assessment Roll sets forth for each year the Annual Installment for each Improvement Area #1 Assessed Property consisting of (i) the annual portion allocable to the payment of principal of and interest on the Bonds Similarly Secured, (ii) the portion of the Annual Installment to fund the Additional Interest Reserve, and (iii) the portion of the Annual Installment allocable to Annual Collection Costs. The Annual Installments for Improvement Area #1 will be determined annually during the Annual Service Plan Update.

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

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

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the Commissioners Court has determined that the Improvement Area #1 Assessments shall be initially allocated entirely to the Improvement Area #1 Assessed Property. Upon the division of any Improvement Area #1 Assessed Property without the recording of a subdivision plat, the Administrator shall reallocate the Improvement Area #1 Assessment for the Improvement Area #1 Assessed Property prior to the subdivision among the newly divided Improvement Area #1 Assessed Properties according to the following formula:

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

Where the terms have the following meanings:

- A = the Improvement Area #1 Assessment for the newly divided Improvement Area #1 Assessed Property
- B = the Improvement Area #1 Assessment for the Improvement Area #1 Assessed Property prior to division
- C = the Estimated Buildout Value of the newly divided Improvement Area #1 Assessed Property
- D = the sum of the Estimated Buildout Value for all the newly divided Improvement Area #1 Assessed Properties

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

Upon the subdivision of any Improvement Area #1 Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Improvement Area #1 Assessment for the Improvement Area #1 Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

- A = the Improvement Area #1 Assessment for the newly subdivided Lot
- B = the Improvement Area #1 Assessment for the Parcel prior to subdivision
- C = the sum of the Estimated Buildout Value of all newly subdivided Lots within the same Lot Type
- D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefitted Property
- E = the number of newly subdivided Lots with the same Lot Type

The sum of the Improvement Area #1 Assessments for all newly subdivided Lots shall not exceed the Improvement Area #1 Assessment for the portion of the Improvement Area #1 Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Improvement Area #1 Assessed Property. The reallocation of an Improvement Area #1 Assessment for an Improvement Area #1 Assessed Property that is a homestead under State law may not exceed the Improvement Area #1 Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the Commissioners Court. See “APPENDIX C – Form of Service and Assessment Plan.”

The Improvement Area #1 Assessment for any resulting Lot may not exceed the “Maximum Assessment” for such Lot Type. The term “Maximum Assessment” means, for each Lot Type within Improvement Area #1, the amount shown in Exhibit E to the Service and Assessment Plan, which amount will be reduced annually by principal payments made as part of the Annual Installments. See “APPENDIX C – Form of Service and Assessment Plan.” The following table provides the expected allocation of Improvement Area #1 Assessments based on Lot Type.

Allocation of Assessments by Lot Type in Improvement Area #1⁽¹⁾

Lot Type	Planned No. of Lots	Estimated Buildout Value per Lot⁽²⁾	Assessment Allocation	Maximum Assessment per Lot⁽³⁾	Total Assessments per Lot Type	Estimated Average Annual Installment per Lot⁽⁴⁾	Equivalent Tax Rate per \$100 Assessed Value
40'	186	\$250,000	100%	\$38,527	\$7,166,000	\$3,109	\$1.24

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

⁽²⁾ Provided by Developer at the time of the levy of the Improvement Area #1 Assessments.

⁽³⁾ Pursuant to the Service and Assessment Plan, the Improvement Area #1 Assessment per Lot Type may not exceed the Maximum Assessment (as defined therein). See “— Assessment Amounts – Method of Apportionment of Assessments” and “APPENDIX C — Form of Service and Assessment Plan.”

⁽⁴⁾ Based on Annual Installments due from 2025 to 2053. Shown for illustrative purposes only.

The Series 2025 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 Improvement Area #1 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 Similarly Secured. 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 Improvement Area #1 Assessed Property is transferred to a person or entity that is exempt from payment of the Improvement Area #1 Assessments, the owner transferring the Improvement Area #1 Assessed Property shall pay to the County or the Administrator on behalf of the County the full amount of the outstanding Improvement Area #1 Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Improvement Area #1 Assessed Property, prior to the transfer. If the owner of the Improvement Area #1 Assessed Property causes the Improvement Area #1 Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay the full amount of the outstanding Improvement Area #1 Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the change in status.

True-Up of Improvement Area #1 Assessments if Maximum Assessment Exceeded. Prior to the County approving a final subdivision plat, the Administrator will certify that such plat will not result in the Improvement Area #1 Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Improvement Area #1 Assessment per Lot for any Lot Type will exceed the Maximum Assessment, then (i) the Improvement Area #1 Assessment applicable to each Lot Type exceeding the Maximum Assessment shall be reduced to the Maximum Assessment, and (ii) the person or entity filing the plat shall pay to the County the amount the Improvement Area #1 Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, prior to the County approving the final plat. The County's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay the amounts referenced in the preceding sentence.

Prepayment as a Result of an Eminent Domain Proceeding or Taking. Subject to applicable law, if any portion of any Parcel of Improvement Area #1 Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Improvement Area #1 Assessed Property is made to an entity with the authority to condemn all or a portion of the Improvement Area #1 Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Improvement Area #1 Assessed Property that was taken or transferred (the "Taken Property") shall be reclassified as Non-Benefited Property (as defined in the Service and Assessment Plan).

For the Improvement Area #1 Assessed Property that is subject to the Taking as described in the preceding paragraph, the Improvement Area #1 Assessment that was levied against the Improvement Area #1 Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Improvement Area #1 Assessed Property (the Improvement Area #1 Assessed Property less the Taken Property, the "Remaining Property") following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Improvement Area #1 Assessment and Annual Installments applicable to the Remaining Property after any required Prepayment as set forth below. The owner will remain liable to pay in Annual Installments, or payable as otherwise provided by the Service and Assessment Plan, as updated, or the PID Act, the Improvement Area #1 Assessment that remains due on the Remaining Property, subject to an adjustment in the Annual Installments applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Improvement Area #1 Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Improvement Area #1 Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Improvement Area #1 Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the County receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Improvement Area #1 Assessment on the Remaining Property. In all instances the Improvement Area #1 Assessment remaining on the Remaining Property shall not exceed the Maximum Assessment.

Notwithstanding the preceding paragraphs under this subcaption, if the owner of the Taken Property notifies the County and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Improvement Area #1 Assessment required to buy down the outstanding Improvement Area #1 Assessment to the Maximum Assessment on the Remaining Property to support

the Estimated Buildout Value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Improvement Area #1 Assessment has been prepaid in full.

Notwithstanding the preceding paragraphs under this subcaption, the Improvement Area #1 Assessment shall not, however, be reduced to an amount less than the outstanding Bonds Similarly Secured.

Reduction of Assessments. If the Actual Costs of completed Improvement Area #1 Projects are less than the Improvement Area #1 Assessments, then (1) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Commissioners Court shall reduce each Improvement Area #1 Assessment on a pro rata basis such that the sum of the resulting reduced Improvement Area #1 Assessments for all Improvement Area #1 Assessed Property equals the reduced Actual Costs that were expended, or (2) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the Project Fund created under the Indenture relating to such series of PID Bonds as directed by the County pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Improvement Area #1 Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

The Administrator shall update (and submit to the Commissioners Court for review and approval as part of the next Annual Service Plan Update) the Improvement Area #1 Assessment Roll and corresponding Annual Installments to reflect the reduced Improvement Area #1 Assessments.

Priority of Lien

The Improvement Area #1 Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Order until the Improvement Area #1 Assessment is paid and may be enforced by the County in the same manner as an ad valorem tax levied against real property may be enforced by the County. The owner of any Improvement Area #1 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 Assessments on homestead property (unless the lien associated with the Assessment attached prior to the date the property became a homestead), the County 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 Similarly Secured pending prosecution of the foreclosure proceedings and receipt by the County 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 Similarly Secured or such payment may not be made in full. The County is not required under any circumstance to purchase or make payment for the purchase of the delinquent Improvement Area #1 Assessment on the corresponding Improvement Area #1 Assessed Property.

In the Indenture, the County covenants to take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #1 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement, or exemption in the Improvement Area #1 Assessments, provided that the County 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 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 County will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If funds in the Administrative Fund are insufficient to pay foreclosure costs, the owners of the Bonds Similarly Secured 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 COUNTY

Background

The County, a component of the Houston metropolitan area, was created and organized in 1837 and consists of approximately 1,044 square miles of rolling, densely forested land. The County’s 2020 census population was 620,443, increasing 36.14% since 2010. The current estimated population is approximately 711,354.

The County has a historic economy based on mineral production (oil, gas, sand, and gravel), agriculture (horses, cattle, and greenhouse nurseries), and lumbering (timber products). Recently, the economy has shifted toward an urban-rural mix, including energy, education, health and social services, with retail trade and manufacturing. Many residents of the County work in the City of Houston, Texas.

County Government

The officials having responsibility for the administration of the County are the County Judge and the four County Commissioners who comprise the Commissioners Court. Among its duties as the governing body of the County, the Commissioners Court approves the County’s budget, determines the County’s tax rates, approves contracts, calls elections, and determines when to issue bonds or other obligations. Each Commissioner represents one of the four precincts into which the County is divided and is elected by the voters of such precinct for a four-year term.

The current members of the Commissioners Court and the principal administrators of the County are shown on page iii hereof. General information regarding the County can be found in “APPENDIX A – General Information Regarding the County.”

THE DISTRICT

General

The PID Act authorizes counties to create public improvement districts within its boundaries and to impose assessments within the public improvement district to pay for certain improvements. The District (then known as “Meadows Park Public Improvement District”) was created by the County in accordance with the PID Act by a resolution adopted by the Commissioners Court on April 12, 2022 (the “Creation Resolution”), for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Projects, authorized by the PID Act and approved by the Commissioners Court that confer a special benefit on the portion of the District property being developed. On December 5, 2023, upon request of the Developer and the landowner of the property within the District, the Commissioners Court adopted a Resolution and Order changing the name of the District to “Meadow Park Public Improvement District.” The District is not a separate political subdivision of the State and is governed by the Commissioners Court. A map of the property within the District is included on page vi hereof.

Powers and Authority of the County

Pursuant to the PID Act, the County may establish and create the District and undertake, pay, or reimburse a developer for the costs of improvement projects that confer a special benefit on property located within the District. The PID Act provides that the County may levy and collect special assessments on property in the District, or portions thereof, payable in periodic installments to pay all or a part of its cost based on the benefit conferred by an improvement project.

Pursuant to the PID Act and the Creation Resolution, the County has the power to undertake, pay, or reimburse a developer for the costs of financing, acquisition, construction, or improvement of the Improvement Area #1 Projects. See “THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the County has determined to undertake the acquisition or purchase of certain detention, street, drainage, and park improvements comprising the Improvement Area #1 Projects and certain related soft costs, and to finance a portion of the costs thereof through the issuance of the Bonds Similarly Secured. The County has further determined to provide for the payment of debt service on the Bonds Similarly Secured through Pledged Revenues and other assets comprising the Trust Estate. See “ASSESSMENT PROCEDURES” and “APPENDIX C – Form of Service and Assessment Plan.”

THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS

General

The “Improvement Area #1 Authorized Improvements” consist of the (i) Improvement Area #1 Improvements, (ii) Improvement Area #1 Major Improvements, (iii) Bond Issuance Costs and (iv) the initial deposit to the Administrative Fund, each as described below. A portion of the costs of the Improvement Area #1 Projects will be funded with proceeds of the Series 2025 Bonds. The balance of the costs of the Improvement Area #1 Projects will be paid by the Developer under the terms of the Meadow Park Development Agreement, dated as of June 13, 2023, by and between the County and the Developer (the “Development Agreement”), and the Service and Assessment Plan.

Improvement Area #1 Improvements. The Improvement Area #1 Authorized Improvements include the following Improvement Area #1 Improvements:

Street Improvements - The street improvements include subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways and streetlights. Intersections, signage, lighting and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements will provide street access to each lot and access to public roadways and state highways. The street improvements will be designed and constructed in accordance with County standards and specifications and will be owned and maintained by the County.

Drainage, Storm Sewer and Detention Improvements - The drainage, storm sewer and detention improvements include trench excavation and embedment, trench safety, reinforced concrete and high density polyethylene piping, manholes, inlets, channels/swales and ponds. These improvements will include the necessary appurtenances to be fully operational to convey stormwater to the limits of Improvement Area #1. The drainage improvements will be designed and constructed in accordance with County standards and specifications and will be owned by the County. The facilities will be maintained and operated by the HOA per the terms of the Development Agreement. The drainage improvements will also include connecting an outfall storm water structure to an existing detention pond for capacity and conveyance of stormwater.

Park and Amenities Improvements - The park improvements and amenities include green areas, landscaping, play areas, playground equipment, fields, pavilions and parking. These improvements are for the public as well as residents of Improvement Area #1. The park improvements will be maintained and operated by the HOA per the terms of the Development Agreement.

Soft Costs – The soft costs include costs related to mobilization, setup and project overhead for all equipment, designing, constructing, and installing the Improvement Area #1 Improvements including the land planning and design, County fees, inspection fees, engineering, Geotechnical, Storm Water Pollution Prevention Plan, material testing and survey.

Improvement Area #1 Major Improvements. The Improvement Area #1 Authorized Improvements also include Improvement Area #1’s allocable share of the following Major Improvements:

Detention - The detention improvements include a detention pond located in the Remainder Area that includes trench excavation and embedment, trench safety, reinforced concrete and high-density polyethylene piping, manholes, inlets, slopes, channels/swales to increase its detention capacity and conveyance of storm water. The detention improvements will provide benefit to all lots within the District and include the necessary appurtenances to be fully operational to convey stormwater to the limits of the District. The detention improvements will be designed and constructed in accordance with County standards and specifications and will be owned by the County and maintained by the HOA.

Soft Costs - Includes costs associated with forming the District, including, but not limited to, attorney fees, consultant fees, and any other cost or expense directly associated with the establishment of the District.

Bond Issuance Costs. The Improvement Area #1 Authorized Improvements also include the following “Bond Issuance Costs”: the costs associated with issuing the Series 2025 Bonds, including but not limited to issuer fees, attorney’s fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, County costs, Reserve Fund requirements, Underwriter’s discount, fees charged by the Texas Attorney General and any another cost or expense directly associated with the issuance of the Series 2025 Bonds.

Deposit to Administrative Fund. The Improvement Area #1 Authorized Improvements also include the initial deposit to the Administrative Fund, which equals the amount necessary to fund the first year’s Annual Collection Costs for the Series 2025 Bonds.

Costs of Improvement Area #1 Authorized Improvements

The total costs of the Improvement Area #1 Authorized Improvements are expected to be approximately \$7,810,585, all of which have been or will be paid by the Developer from cash on hand and proceeds of the Development Loan. A portion of such costs in the approximate amount of \$7,166,000 will be reimbursed from proceeds of the Series 2025 Bonds. Pursuant to the Development Agreement, the Developer agrees to pay, without a right to reimbursement, any Actual Costs of the Improvement Area #1 Projects set forth in the Service and Assessment Plan that are not funded by the proceeds of the Series 2025 Bonds and the Improvement Area #1 Assessments. As of November 30, 2024, the Developer had expended \$5,972,736 on the costs of the Improvement Area #1 Improvements and \$0 on Major Improvements, which costs have been funded with the Development Loan and Developer equity. See also “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS,” “THE DEVELOPER – History and Financing of the District”, and “APPENDIX C – Form of Service and Assessment Plan.”

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

<u>Type of Improvement Area #1 Authorized Improvement</u>	<u>Costs</u>
<i>Improvement Area #1 Improvements</i>	
Streets	\$1,588,131
Drainage, Storm Sewer and Detention	3,115,449
Park and Amenities	550,000
Soft Costs	552,304
Contingency	<u>631,128</u>
Subtotal	\$6,437,012
 <i>Improvement Area #1 Major Improvements</i>	
Detention	\$124,614
Soft Costs	<u>37,384</u>
Subtotal	\$161,998
 <i>Bond Issuance Costs</i>	
Deposit to Reserve Account	\$526,635
Underwriter Discount	214,980
Costs of Issuance	<u>429,960</u>
Subtotal	\$1,171,575
 <i>Deposit to Administrative Fund</i>	 <u>\$40,000</u>
Total	\$7,810,586

Ownership and Maintenance of Improvement Area #1 Projects

The Improvement Area #1 Projects will be dedicated to the County and will constitute a portion of the County’s infrastructure improvements. The HOA will provide for the ongoing maintenance and repair of certain of the Improvement Area #1 Improvements, including the drainage, park and amenities, and detention improvements per the terms of the Development Agreement. The streets will be maintained by the County.

THE DEVELOPMENT

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

Overview

The Development is a master-planned single-family residential development within the County and the extraterritorial jurisdiction of the City of Cut and Shoot. The Development is composed of approximately 167.152 acres located just south of S.H. 105, along the west line of Willis-Waukegan Road, in Conroe, Montgomery County, Texas.

Development Plan and Status of Development

The Developer’s development plans for the District consist of the construction of the Authorized Improvements and the Private Improvements. The Developer began construction of the Improvement Area #1 Improvements in the second quarter of 2022 and has completed all of the Improvement Area #1 Improvements. The Developer will begin construction of the Major Improvements in the first quarter of 2025, which are expected to be completed by the third quarter of 2025. Concurrently with the Improvement Area #1 Improvements, the Developer commenced construction of the Private Improvements, which have also been completed. See “– Water, Wastewater and Electrical Improvements” and “– Amenities.”

Developer and Homebuilders

The Developer has contracted with the Homebuilders to purchase all of the lots in Improvement Area #1. The Homebuilders have collectively deposited \$200,000 in earnest money with the Developer (Lennar Homes has deposited \$100,000 and First American Homes has deposited \$100,000). The Developer has not yet contracted with any homebuilders with respect to the lots in the Remainder Area. The Developer’s current expectations regarding lot sales in Improvement Area #1 are shown in the schedule below.

Under that certain Lot Purchase Contract (as most recently amended by that certain Fifth Amendment to Lot Purchase Contract), dated June 28, 2024 (the “Lennar Lot Contract”) by and between Martin Family Ventures, Ltd. and Lennar Homes, Lennar Homes has contracted to purchase 126 lots in Improvement Area #1 of the District.

Under that certain Contract of Sale (as most recently amended by that certain Second Amendment to the Contract of Sale), dated June 17, 2024 (the “First America Lot Contract”) by and between the Developer and First America Homes, First America Homes has contracted to purchase 24 lots in Section 1 (as defined herein) and 36 lots in Section 2 (as defined herein).

As of November 30, 2024, (i) Lennar Homes had taken down 59 lots and homes on all 59 lots were in various stages of construction, with 49 homes closed to homeowners and (ii) First America Homes had taken down 24 lots and homes were in various stages of construction on 16 lots, with 10 homes closed to homeowners.

EXPECTED ABSORPTION OF LOTS IN IMPROVEMENT AREA #1

<u>Actual/Expected Sale Date</u>	<u>Lennar Homes</u>	<u>First American Homes</u>	<u>Total Lots</u>
12/23/2023	13	0	13
2/23/2024	2	0	2
3/4/2024	10	0	10
3/6/2024	0	12	12
4/5/2024	3	0	3
5/2/2024	7	0	7
6/3/2024	6	0	6
6/27/2024	0	12	12
7/8/2024	4	0	4
8/7/2024	4	0	4
10/3/2024	4	0	4
11/7/2024	2	0	2
12/1/2024	15	0	15
3/1/2025	15	9	24
6/1/2025	15	9	24
9/1/2025	15	9	24
12/1/2025	11	9	20
Total	126	60	186

Single-Family Development

The Development is expected to include 612 single-family residential lots. Improvement Area #1 is expected to include approximately 186 lots and the Remainder Area is expected to include approximately 426 lots. The Developer has contracted with the Homebuilders to purchase all of the lots in Improvement Area #1.

The Developer’s current expectations regarding buildout of the single-family lots and homes within the District are shown in the following table.

EXPECTED BUILDOUT OF SINGLE-FAMILY LOTS WITHIN THE DISTRICT

<u>Area</u>	<u>Lot Type</u>	<u>Number of Lots</u>	<u>Actual/Expected Infrastructure Completion Date</u>	<u>Actual/Expected Home Construction Commencement Date</u>	<u>Expected Initial Sale Date of Homes to Homeowners</u>	<u>Expected Home Construction Completion Date</u>
Improvement Area #1	40'	186	11/30/2024	01/01/2024	08/01/2024	12/31/2025
Remainder Area	TBD	426	12/31/2028	01/01/2024	08/01/2026	12/31/2029

The anticipated schedule for sale of single-family lots to homeowners in the District is shown in the following table.

EXPECTED DATE OF SINGLE-FAMILY HOMES TO BE UNDER CONTRACT WITH HOMEOWNERS IN THE DISTRICT

<u>Expected Contract Date</u>	<u>Improvement Area #1</u>	<u>Remainder Area</u>
2024	60	
2025	120	
2026	6	114
2027		120
2028		120
2029		72

Development Agreement

Pursuant to the Development Agreement, the Developer has the right to construct public improvements for the District, including the Authorized Improvements, according to certain rules and regulations of the County, and to be reimbursed for a portion of the costs of such construction from the proceeds of the assessments and/or PID Bonds. The Development Agreement provides certain requirements to be met for each issuance of PID Bonds, including that the final maturity of each series of PID Bonds may not occur later than 30 years from the date of issuance of such PID Bonds. Pursuant to the Development Agreement, the County shall implement the PID Bond issue on the basis of an overall value-to-lien ratio of no less than 2:1. Additionally, the Development Agreement provides that the maximum aggregate principal amount of PID Bonds that may be issued is \$30,000,000. See “APPENDIX F – Development Agreement.”

Reimbursement Agreement

The County and the Developer entered into the Reimbursement Agreement, relating to the obligation of the County to pay the Developer for amounts shown on each Payment Request (which amounts include only Actual Costs paid by or at the direction of Developer). The County, in its sole, legislative discretion, may issue PID Bonds, in one or more series, when and if the Commissioners Court determines it is financially feasible for the purposes of: (a) paying all or a portion of the amounts due under the Reimbursement Agreement; or (b) paying Actual Costs directly. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the applicable PID Bond Indenture. Upon the issuance of PID Bonds for such purpose and for so long as PID Bonds remain outstanding, Developer’s right to receive payments each year in accordance with the Reimbursement Agreement shall be subordinate to the deposits required under the applicable Indenture related to any outstanding PID Bonds, and Developer shall be entitled to receive funds pursuant to the flow of funds provisions in such Indenture. Pursuant to the Service and Assessment Plan, the Development Agreement, and the Reimbursement Agreement, the Developer will be responsible for any Actual Costs of the Improvement Area #1 Projects in excess of the amounts funded with proceeds of the Series 2025 Bonds or the Improvement Area #1 Assessments, without reimbursement by the County.

See “THE DEVELOPMENT – Development Agreement,” “APPENDIX C – Form of Service and Assessment Plan,” “APPENDIX F – Development Agreement” and “APPENDIX G – Reimbursement Agreement.”

Photographs of the District





Water, Wastewater and Electrical Improvements

The Private Improvements consist of the water, wastewater and electrical improvements described below, which have been completed. The total costs of the Private Improvements is approximately \$1,890,987, all of which was funded by the Developer without reimbursement by the County and all of which will not be funded with proceeds of the Series 2025 Bonds. The Developer anticipates that the costs of the Private Improvements allocable to Improvement Area #1 will be \$471,287 (including contingency). See “APPENDIX C – Form of Service and Assessment Plan.”

Water Improvements. The water improvements include trench excavation and embedment, trench safety, PVC piping, manholes, fire hydrant service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Improvement Area #1. The water improvements will be designed and constructed in accordance with Texas Commission on Environmental Quality (“TCEQ”) standards and specifications and will be owned and operated by a private entity.

Wastewater Improvements. The wastewater improvements include trench excavation and embedment, trench safety, PVC piping, manholes, lift stations, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of Improvement Area #1. The wastewater improvements will be designed and constructed in accordance with TCEQ standards and specifications and will be owned and operated by a private entity.

Electrical Improvements. The electrical improvements include constructing overhead and underground electrical distribution facilities to and in Improvement Area #1 and supplying and installing all primary facilities for the purpose of making electric distribution service available to the improvements and/or lots located in Improvement Area #1. The electrical improvements will be designed and constructed in accordance with Public Utility Commission standards and specifications and will be owned and operated by a private entity.

Amenities

The amenities in Improvement Area #1 include green areas, landscaping, play areas, playground equipment, fields, pavilions, and parking. These park improvements are for the public as well as residents of Improvement Area #1. Construction of such amenities has been completed.

Zoning/Permitting

Development of the District is governed by the Development Agreement, including the County Regulations defined therein.

Education

Students in the District will attend the following schools within Conroe ISD: Austin Elementary (approximately .8 miles from the District), Moorhead Junior High School (approximately 6.8 miles from the District) and Caney Creek High School (approximately 6.4 miles from the District).

GreatSchools.org currently rates Austin Elementary School 6 out of 10, Moorhead Junior High School 5 out of 10, and Caney Creek High School 4 out of 10. The Texas Education Agency (“TEA”) accountability rating for Conroe ISD for the 2021-2022 school year was “B.” According to the TEA annual school report cards, Austin Elementary School was rated “B,” Moorhead Junior High School was rated “B,” and Caney Creek High School was rated “C” for the 2021-2022 school year (the last year for which ratings have been published). The categories for public school districts and public schools are A, B, C, D and Not Rated.

Environmental

Site Evaluation. A Phase One Environmental Site Assessment (the “Phase One ESA”) of the property within the District was completed on February 1, 2017. Based on the information presented in the Phase One ESA, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site.

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

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

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

Although the Developer does not expect adjacent property owners’ 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 the Improvement Area # 1 Assessments, the Developer makes no guarantee as to such expectation. See “BONDHOLDERS’ RISKS – Exercise of Third-Party Property Rights.”

Flood Zone

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), Community Panel Number 48339C0425G, effective August 18, 2014, all of the property within the District lies outside of the 500-year flood plain, referred to as Zone X. See “BONDHOLDERS’ RISKS – Flood Plain and Severe Weather Events.”

Utilities

Water and Wastewater. Crystal Springs Water Company, Inc. (“Crystal Springs”) will provide both water and wastewater services to the District. See “THE DEVELOPMENT – Water, Wastewater and Electrical Improvements” above.

The Developer and Crystal Springs previously entered into agreements for the construction and installation of water and sewer and distribution facilities and equipment for Sections 1 and 2 pursuant to which the Developer agreed to construct water and sewer facilities acceptable to Crystal Springs and in return Crystal Springs agreed to own, operate and maintain such facilities. The Developer conveyed the water and sewer facilities for Section 1 to Crystal Springs on May 1, 2023 and the water and sewer facilities for Section 2 on December 6, 2024.

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

THE DEVELOPER

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

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves, if any, to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of revenue bonds, such as the Series 2025 Bonds, issued by a county 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

Meadow Park, Ltd., a Texas limited partnership, is the Developer. Meadow Park Partners, LLC is the Developer’s operating General Partner (the “General Partner”). Martin Family Ventures, Ltd., a family partnership, is the Developer’s only limited partner (the “Limited Partner”). Martin Assets, LLC is the operating partner of the Limited Partner.

NEITHER THE SERIES 2025 BONDS NOR THE IMPROVEMENT AREA #1 ASSESSMENTS CONSTITUTE INDEBTEDNESS OF, NOR ARE THEY GUARANTEED BY, THE DEVELOPER.

Biographies of Key Developer Parties

Mark Martin (President of General Partner). Mark Martin has over 30 years’ experience as a real estate broker and developer. He has created over 30 real estate partnerships, raised over \$100 million in investment capital, developed more than 4,000 acres of land that resulted in over 5,000 homesites, and has accumulated more than \$150 million in residential lot sales. Mark is a founding partner of Celebrate Brands, LLC, which is a holding company for

Celebrate Baking, Dixie Foods, Avani Snack Bars, DiBella Biscotti and Domata Gluten Free. Celebrate manufactures single-serve snacks, wholesale and private label fresh baked goods, and dry baking mixes.

Mark also works in his family's businesses where he serves as Chief Operating Officer for Martin Realty & Land, Inc. and Crystal Springs Water Company, Inc. Martin Realty & Land was founded in Porter, Texas, in 1977 and is a real estate brokerage and management firm. Crystal Springs Water provides water and wastewater utilities to over 5,000 customers by operating 30 water systems and 6 wastewater plants in the greater Houston metropolitan area. Mark is a member of the Houston chapter of the Entrepreneur's Organization where he served on the local board in various roles including President and Forum Chair, served on the regional board as an Area Director, and now works with the global board as a Facilitator.

Mark served as Chairman of the Board (2015-2019) for Veterans' Business Battle, Inc., a nonprofit he co-founded in 2015. Veterans' Business Battle is a business plan competition that connects veteran-owned companies with growth capital. It has grown into the largest veteran-owned business competition in the nation and recently partnered with Rice University to create legacy funding and support to ensure continued success. In the last seven years, Mark has led investment groups that invested over \$3.5 million in veteran-owned companies.

Mark served on the Board of Trustees at The Post Oak School (2017-2023), one of Houston's top private schools and one of the nation's leading Montessori schools. Mark received a Bachelor of Business Administration in Finance from Texas A&M University. He has been married to Stacey since 2003, and they live in Bellaire, Texas with their two beautiful daughters, Abby (15) and Avery (14).

History and Financing of the District

The Developer was formed for the purpose of, among other things, the acquisition and development of the property within the District consisting of approximately 167.152 acres of real property. Total Developer cash contribution of \$960,000 was used for the land acquisition and land entitlements related to Improvement Area #1. Except for the liens securing the Development Loan (defined below) and a second lien securing the Homebuilders' earnest money deposits, the Developer owns the Improvement Area #1 Assessed Property, not otherwise sold to the Homebuilders, free and clear of any liens.

Development Financing

The Developer obtained a \$3,943,123 construction/development loan for Section 2 (the "Development Loan") from First Financial Bank (the "Development Lender") for the purpose, among other things, of paying taxes, insurance, and certain other costs associated with the Development. The rate of interest on the Development Loan is equal to the prime interest rate, plus 100 basis points (1%) and is subject to a floor rate of 7.5%. The Development Loan matures on April 23, 2026. As of November 30, 2024, the Development Loan had a balance of approximately \$3,606,635.

The Developer intends to repay the Development Loan from, among other things, the revenue generated from sales of the lots developed in the District and sold to the Homebuilders. The Development Loan is secured by a first lien Deed of Trust on the land and improvements in Section 2. In the event of a default under the Development Loan and/or related documents, the Development Lender will have the right to various remedies, including foreclosure of the Deed of Trust.

The PID Act provides that the Assessment Lien is a first and prior lien against the Improvement Area #1 Assessed Property and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. Additionally, at or before delivery of the Series 2025 Bonds, the Development Lender will acknowledge the creation of the District, the levy of the Improvement Area #1 Assessments, and the subordination of the liens securing the Development Loan to the Assessment Lien. The Improvement Area #1 Assessment Lien will have priority over the liens on the property in Improvement Area #1 securing the Development Loan, Homebuilders' earnest money, and any other loans that may be obtained by the Developer.

THE ADMINISTRATOR

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

The County has selected P3 Works, LLC as the initial "Administrator." The County has entered into an agreement with the Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds Similarly Secured. The Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The Administrator is a consulting firm focused on providing district services relating to the formation of public improvement districts, and has offices in Austin, Houston and North Richland Hills, Texas.

The Administrator's duties will include:

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

APPRAISAL

General. Barletta & Associates, Inc. (the "Appraiser") prepared an appraisal report for the County and the Underwriter dated as of October 1, 2024, based upon a physical inspection of Improvement Area #1 of the District conducted on August 3, 2024 (the "Appraisal"). The Appraisal was prepared at the request of the County and the Underwriter. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Improvement Area #1 of the District. The Appraisal is attached hereto as APPENDIX H and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions, and qualifications, which are set forth therein. See "APPENDIX H — Appraisal."

Value Estimates. The Appraiser estimated the "As Complete" Retail Value and "As Is" and "Upon Completion" Bulk Market Values of the fee simple interest in the various tracts within Improvement Area #1 under certain hypothetical conditions. The Appraisal does reflect the value of Improvement Area #1 as if sold to a single purchaser in a single transaction. See "APPENDIX H — Appraisal."

Using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, (i) the "As Is" Bulk Market Value estimate of the 83 finished lots on a 15.937-acre tract in Improvement Area #1 ("Section 1") as of August 3, 2024, was \$4,040,000; (ii) the "Upon Completion" Bulk Market Value of the 103 under-development lots on a 17.895 acre-tract in Improvement Area #1 ("Section 2") as of September 30, 2024, was \$4,800,000; and (iii) the "As Complete" Retail Value of 57 detached single-family residences within Section 1 in various stages of construction as of August 3, 2024, was \$13,750,000. See "APPENDIX H — Appraisal."

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

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

BONDHOLDERS' RISKS

Before purchasing any of the Series 2025 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 Series 2025 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 Series 2025 Bonds) should be carefully considered prior to purchasing any of the Series 2025 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 SERIES 2025 BONDS, ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER ASSETS 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 COUNTY 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 COUNTY OTHER THAN THE PLEDGED REVENUES AND OTHER ASSETS 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 COUNTY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE COUNTY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE COUNTY OTHER THAN THE PLEDGED REVENUES AND OTHER ASSETS COMPRISING THE TRUST ESTATE. SEE "SECURITY FOR THE BONDS SIMILARLY SECURED."

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

The rate of development of the property in Improvement Area #1 is directly related to the vitality of the residential housing industry. In the event that the sale of the lots within 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 Improvement Area #1 Assessed Property, with improvements, will be available for payment of the debt service on the Bonds Similarly Secured, 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 Series 2025 Bonds, and no representation is made by the Underwriter, the County, or the County's Financial Advisor that a market for the Series 2025 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 Series 2025 Bonds.

The County has not applied for or received a rating on the Series 2025 Bonds. The absence of a rating could affect the future marketability of the Series 2025 Bonds. There is no assurance that a secondary market for the Series 2025 Bonds will develop or that holders who desire to sell their Series 2025 Bonds prior to the stated maturity will be able to do so.

Deemed Representations and Acknowledgment by Purchasers

Each Investor will be deemed to have acknowledged and represented to the County 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 Series 2025 Bonds involves investment risks, certain of which are set forth under this heading “BONDHOLDERS’ RISKS” and elsewhere herein, and such Investor, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act of 1933), has sophisticated knowledge and experience in financial and business matters and the capacity to evaluate such risks in making an informed investment decision to purchase the Series 2025 Bonds, and the Investor can afford a complete loss of its investment in the Series 2025 Bonds.

Failure or Inability to Complete Proposed Development

Proposed development within the District may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development or existence of environmental concerns with such land. See “– Hazardous Substances” and “– Availability of Utilities” below. Land development within 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 District must come from the County. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. Such limitations could adversely impact the completion of the Development as anticipated. THE TIMELY PAYMENT OF THE SERIES 2025 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 THE DISTRICT IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. In that event, there could be a default in the payment of the Series 2025 Bonds.

Completion of the Improvement Area #1 Projects

The construction of some of the Improvement Area #1 Projects is not yet complete. The cost and time for completion of all of such improvements is uncertain and may be affected by changes in national, regional and local and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in 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. If cost overruns result in delay of construction, or if other delays are experienced, the Developer may be unable to complete timely all of such necessary improvements.

Completion of Homes

The cost and time for completion of homes by the Developer and the Homebuilders is uncertain and may be affected by changes in national, regional, and local market and economic conditions; changes in long and short term

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

Absorption Rate

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

The Homebuilders expect to construct homes on all of the lots in Improvement Area #1. Consequently, the Developer will not be able to affect or control the absorption rates of the homes in Improvement Area #1.

Assessment Limitations

Annual Installments of Improvement Area #1 Assessments are billed to property owners of Improvement Area #1 Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as set forth under "ASSESSMENT PROCEDURES." 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 Similarly Secured maturing in each year, interest, and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES." The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Improvement Area #1 Assessment payments in the future.

In order to pay debt service on the Bonds Similarly Secured, 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, the County has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds Similarly Secured, 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 Similarly Secured. See "BONDHOLDERS' RISKS – Bondholders' Remedies and Bankruptcy."

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #1, 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 Order. **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 Order (“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 Order, no such homestead rights will have been claimed. Furthermore, the Developer owned 100% of the property within Improvement Area #1 at the time the Improvement Area #1 Assessments were levied and will not be eligible to claim homestead rights. Consequently, there are and can be no homestead rights on the Improvement Area #1 Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the County.

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 County 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 County to make full or punctual payments of debt service on the Series 2025 Bonds.

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

Bankruptcy

The payment of Improvement Area #1 Assessments and the ability of the County 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 Series 2025 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 to pay the Improvement Area #1 Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of Improvement Area #1 currently impose ad valorem taxes on the property within Improvement Area #1 and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #1. The imposition of additional liens, or private financing, may reduce the ability or willingness of the landowners to pay the Improvement Area #1 Assessments. See “OVERLAPPING TAXES AND DEBT.”

Depletion of Reserve Fund

Failure of the owners of property within Improvement Area #1 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 Series 2025 Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture provides that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount therein 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.” The Additional Interest Reserve Account of the Reserve Fund is not funded from the proceeds of the Bonds Similarly Secured. Instead, funding of the Additional Interest Reserve Account is accumulated over time, by the mechanism described in “SECURITY FOR THE BONDS SIMILARLY SECURED – Additional Interest Reserve Account.”

Hazardous Substances

While governmental taxes, assessments, and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or “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 consider the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The County 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 County 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 a Phase One ESA performed on the 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.

State Law Requiring Notice of Assessments

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract of purchase and sale. If the Developer or the Homebuilders do not provide the required notice and prospective purchasers of property within the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property

owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Improvement Area #1 Assessments on such property may be paid. On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the Developer or the Homebuilders 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 appendices to the Service and Assessment Plan. See "APPENDIX C – Form of Service and Assessment Plan."

Potential Future Changes in State Law Regarding Public Improvement Districts

During past Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments, including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. It is impossible to predict what bills may be introduced during upcoming legislative sessions and, if passed, the impact that any future legislation will or may have on the security for the Series 2025 Bonds.

Flood Plain and Severe Weather Events

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), Community Panel Number 48339C0425G, all of the property within the District lies outside of the 500-year flood plain, referred to as Zone X.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the County, 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 500-year flood plain from being included in the 500-year or 100-year flood plain in the future, or whether extreme flooding events may occur more often than assumed in creating the rate maps.

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

Exercise of Third-Party Property Rights

As described under "THE DEVELOPMENT – Existing Mineral and Groundwater Rights, Easements and Other Third-Party Property Rights," none of the mineral rights, royalty interests, and easement reservations located within the District are owned by the Developer.

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

Bondholders' Remedies and Property Owner Bankruptcy

In the event of default in the payment of principal of or interest on the Series 2025 Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may proceed, and upon the written request of the

Owners of at least a 25% of the Series 2025 Bonds then Outstanding thereunder and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that any action for money damages against the County shall be limited to recovery from the Trust Estate may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the County's obligations under the Series 2025 Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so its use rests within the discretion of the court but may not be arbitrarily refused. There is no acceleration of maturity of the Series 2025 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 Series 2025 Bonds cannot themselves foreclose on or sell property within the District in order to pay the principal of and interest on the Series 2025 Bonds. The enforceability of the rights and remedies of the owners of the Series 2025 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 County. In this regard, should the County file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the County to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS – Bankruptcy Limitation to Bondholders' Rights."

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within Improvement Area #1 pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the County 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.

The County 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 County's sovereign immunity from a suit for money damages in the absence of County action, the Trustee or the owners of the Series 2025 Bonds may not be able to bring such a suit against the County for breach of the Series 2025 Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Series 2025 Bonds may exercise the remedy of mandamus to enforce the obligations of the County under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by State courts. In general, State courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. State courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the County 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 Series 2025 Bonds pending prosecution of the foreclosure proceedings and receipt by the County 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 Series 2025 Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the County must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Area #1 available to pay debt service on the Series 2025 Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments, and the Improvement Area #1 Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

The Indenture expressly denies the right of acceleration in the event of a payment default or other default under the terms of the Series 2025 Bonds or the Indenture.

Limited Secondary Market for the Series 2025 Bonds

The Series 2025 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2025 Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2025 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2025 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2025 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.

No Credit Rating

The County has not applied for or received a rating on the Series 2025 Bonds. Even if a credit rating had been sought for the Series 2025 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 Series 2025 Bonds. There is no assurance that a secondary market for the Series 2025 Bonds will develop or that holders who desire to sell their Series 2025 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.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the Owners of the Series 2025 Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the County. The County is authorized under State law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The County may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the County decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the County would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the County is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under State law are obtained and (6) the plan is in the best interests of creditors and is feasible.

The rights and remedies of the owners of the Series 2025 Bonds would be adjusted in accordance with the confirmed plan of adjustment of the County's debt.

Potential Early Redemption of Series 2025 Bonds from Prepayments of Assessments

The owner of any property assessed in Improvement Area #1 may voluntarily prepay 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. Such prepayments may result in a redemption of Series 2025 Bonds, at the option of the County, for which timely notice may be given under the Indenture following receipt of the Prepayment. The resulting redemption of the Series 2025 Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Series 2025 Bonds. See "DESCRIPTION OF THE SERIES 2025 BONDS — Redemption Provisions — Extraordinary Optional Redemption."

Management and Ownership

The management and ownership of the Developer and related or affiliated property owners could change in the future. Purchasers of the Series 2025 Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer, homebuilder, or new officers in management positions may not have comparable experience in projects comparable to the Development.

Tax-Exempt Status of the Series 2025 Bonds

The Indenture will contain covenants by the County intended to preserve the exclusion from gross income of interest on the Series 2025 Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS," interest on the Series 2025 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Series 2025 Bonds were issued as a result of future acts or omissions of the County 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 Series 2025 Bonds under federal or State law and could affect the market price or marketability of the Series 2025 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 Series 2025 Bonds should consult their own tax advisors regarding the foregoing matters.

As further described in "TAX MATTERS" below, failure of the County to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Series 2025 Bonds to be included in the gross income of owners of the Series 2025 Bonds for federal income tax purposes, possibly from the date of original issuance of the Series 2025 Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of interest on the Series 2025 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted if this IRS focus could lead to an audit of the Series 2025 Bonds or what the result would be of any such audit. If an audit of the Series 2025 Bonds is commenced, under current procedures parties other than the County would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Series 2025 Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Series 2025 Bonds. Finally, if the IRS ultimately determines that the interest on the Series 2025 Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the County may not have the resources to settle with the IRS, the Series 2025 Bonds are not required to be redeemed, and the interest rate on the Series 2025 Bonds will not increase.

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 County and the Developer, nor is there a requirement that future developers or landowners enter into such an agreement. There can be no assurance, in the event the Developer or a subsequent developer modifies or changes its plan for development, that the necessary revisions to the Service and Assessment Plan will be made. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of the Developer to develop lots and the Homebuilders to sell single-family residential homes within Improvement Area #1 may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market, and other factors beyond the control of the owner of the single-family residential lots. In the event that a large number of single-family projects are constructed outside of the District, and compete with the Development, the demand for residential housing within the District could be reduced, thereby adversely affecting the continued development of the District, or its attraction to businesses and residents.

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

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

A slowdown of the development process and the related absorption rate within Improvement Area #1 because of any or all of the foregoing could affect adversely land values. The timely payment of the Series 2025 Bonds depends on the willingness and ability of the Developer, the Homebuilders, and any subsequent owners to pay the Improvement Area #1 Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Improvement Area #1 Assessments and could greatly reduce the value of the property within Improvement Area #1 in the event such property has to be foreclosed. If Annual Installments of Improvement Area #1 Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Risks Related to the Current Residential Real Estate Market

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot, and home sales within the District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Recent Increase in Costs of Building Materials

As a result of low supply, high demand and the ongoing trade war, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. If the construction costs associated with completing homes in the District are substantially higher than the estimated costs or if the Homebuilders are unable to access building materials in a timely manner, it may affect the ability of the Homebuilders to complete the construction of homes or pay the Improvement Area #1 Assessments when due. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District.

Adverse Developments Affecting the Financial Services Industry

Actual events involving limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, transactional counterparties, or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank (“SVB”) was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (“FDIC”) as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. In March of 2023, UBS agreed to acquire the troubled Credit Suisse, and troubled First Republic Bank received a \$30 billion rescue package from 11 of the biggest U.S. banks in an effort to prevent its collapse; however, on May 1, 2023, the FDIC seized First Republic Bank and sold its assets to JPMorgan Chase & Co.

Although a statement by the Department of the Treasury, the Federal Reserve, and the FDIC stated that all depositors of SVB would have access to all of their money after only one business day of closure, including funds held in uninsured deposit accounts, borrowers under credit agreements, letters of credit, and certain other financial instruments with any financial institution that is placed into receivership by the FDIC may be unable to access undrawn amounts.

If the Developer is unable to access funds pursuant to the Development Loan with the Development Lender, the Developer’s ability to enter into new commercial lending arrangements to complete the Development could be adversely affected. If a Homebuilder uses a line of credit or other financial instrument to finance home construction and is unable to access funds under such line of credit or other financial instrument, the Homebuilder’s ability to take down lots and complete homes could be adversely affected. Additionally, confidence in the safety and soundness of regional banks specifically, or the banking system generally, could impact where customers choose to maintain deposits, which could materially adversely impact the Developer’s and Homebuilder’s liquidity and access loan funding capacity, and results in an impact to operations. Similar impacts to the development industry have occurred in the past.

Competition

The housing industry in the Houston area is very competitive, and none of the Developer, the County, the County’s Financial Advisor, or the Underwriter can give any assurance that the building programs which are planned throughout the District will be completed in accordance with the Developer’s expectations. The successful development of the land within the District, the success of the Development, and the sale of residential units therein, once such homes are built, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market, and other factors beyond the control of the Developer. The competitive position of the Developer in the sale of 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.

Below is a list of competitive projects in the area:

- Caney Mills, located along the west line of Willis Waukegan Road, north of Highway 105, east of Rolling Hills Road, in Conroe, Montgomery County, Texas 77303.

- Colony at Pinehurst, located on the southwest side of F.M. 1774 at Lone Star Lane, 1/4 mile northwest of F.M. 149, and 1/2 mile west of State Highway 249, in the Tomball/Magnolia market area of Montgomery County, Texas.
- Stonebrooke, located on the northeast side of Willis Waukegan Road at Stonebrooke Chase Drive, about 3.5 miles northeast of State Highway 105 and 2.0 miles southwest of F.M. 1485, within the Conroe/Willis market area of Montgomery County, Texas.
- Enclave at Willis, located on southwest side of F.M. 1097 at the northern end of Canyon Falls Boulevard, about 1/3 mile west of Interstate 45, in the Conroe market area of Montgomery County, Texas 77318.
- Cielo, located along the south line of Amar Drive, just east of F.M. 1484, and west of Fallow Lane, in Conroe, Montgomery County, Texas 77303.

Availability of Utilities

The progress of development within the District is also dependent upon Crystal Springs Water Company providing an adequate supply of water and sufficient capacity for the collection and treatment of wastewater. If Crystal Springs Water Company fails to supply water and wastewater services to the property in the District, the development of the land in the District could be adversely affected. See “THE DEVELOPMENT – Water, Wastewater and Electrical Improvements.”

Use of Appraisal

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the Appraiser’s forecasts for properties in Improvement Area #1 is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

The Series 2025 Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in Improvement Area #1.

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

The intended use and user of the Appraisal are specifically identified in the Appraisal as agreed upon in the contract for services and/or reliance language found in the Appraisal. The Appraiser has consented to the use of the Appraisal in this Limited Offering Memorandum in connection with the issuance of the Series 2025 Bonds. No other use or user of the Appraisal is permitted by any other party for any other purpose.

Dependence Upon Developer

The Developer expects to own approximately 42.5% of the Improvement Area #1 Assessed Property on the date the first Annual Installments of the Improvement Area #1 Assessments become due on January 31, 2025. Accordingly, the Developer expects to have the obligation for payment of approximately 42.5% of such Annual Installments. The remaining assessments due on such date will be paid by either the Homebuilders or homeowners depending on the amount of homes closed to owners at that time. See “PLAN OF FINANCE – Developers and Homebuilders” for information on homes closed to homeowners. The ability of the Developer to make full and timely payment of its portion of the Improvement Area #1 Assessments will directly affect the ability of the County to meet

its debt service obligations with respect to the Series 2025 Bonds. There can be no assurances given as to the financial ability of the Developer to advance any funds to the County to supplement revenues from the Improvement Area #1 Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the County will pay the Developer, or the Developer's designee, from proceeds of the Series 2025 Bonds for Actual Costs in developing and constructing the Improvement Area #1 Authorized Improvements. See "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS." There can be no assurances given as to the financial ability of the Developer to complete the Improvement Area #1 Projects or any other improvements.

TAX MATTERS

Opinion

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel is of the further opinion that interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Series 2025 Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Series 2025 Bonds is less than the amount to be paid at maturity of such Series 2025 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2025 Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Series 2025 Bonds is the first price at which a substantial amount of such maturity of the Series 2025 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2025 Bonds accrues daily over the term to maturity of such Series 2025 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2025 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2025 Bonds. Beneficial Owners of the Series 2025 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2025 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2025 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2025 Bonds is sold to the public.

Series 2025 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2025 Bonds. The County have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2025 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2025 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series

2025 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2025 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2025 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2025 Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2025 Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2025 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislature proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2025 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the County or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2025 Bonds ends with the issuance of the Series 2025 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the Beneficial Owners regarding the tax-exempt status of the Series 2025 Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2025 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2025 Bonds, and may cause the County or the Beneficial Owners to incur significant expense.

PAYMENTS ON THE SERIES 2025 BONDS GENERALLY WILL BE SUBJECT TO U.S. INFORMATION REPORTING AND POSSIBLY TO "BACKUP WITHHOLDING." UNDER SECTION 3406 OF THE CODE AND APPLICABLE U.S. TREASURY REGULATIONS ISSUED THEREUNDER, A NON-CORPORATE BENEFICIAL OWNER OF SERIES 2025 BONDS MAY BE SUBJECT TO BACKUP WITHHOLDING WITH RESPECT TO "REPORTABLE PAYMENTS," WHICH INCLUDE INTEREST PAID ON THE SERIES 2025 BONDS AND THE GROSS PROCEEDS OF A SALE, EXCHANGE, REDEMPTION, RETIREMENT OR OTHER DISPOSITION OF THE SERIES 2025 BONDS. THE PAYOR WILL BE REQUIRED TO DEDUCT AND WITHHOLD THE PRESCRIBED AMOUNTS IF (I) THE PAYEE FAILS TO FURNISH A U.S. TAXPAYER IDENTIFICATION NUMBER ("TIN") TO THE PAYOR IN THE MANNER REQUIRED, (II) THE IRS NOTIFIES THE PAYOR THAT THE TIN FURNISHED BY THE PAYEE IS INCORRECT, (III) THERE HAS BEEN A "NOTIFIED PAYEE UNDERREPORTING" DESCRIBED IN SECTION 3406(C) OF THE CODE OR (IV) THE PAYEE FAILS TO CERTIFY UNDER

PENALTY OF PERJURY THAT THE PAYEE IS NOT SUBJECT TO WITHHOLDING UNDER SECTION 3406(A)(1)(C) OF THE CODE. AMOUNTS WITHHELD UNDER THE BACKUP WITHHOLDING RULES MAY BE REFUNDED OR CREDITED AGAINST A BENEFICIAL OWNER'S FEDERAL INCOME TAX LIABILITY, IF ANY, PROVIDED THAT THE REQUIRED INFORMATION IS TIMELY FURNISHED TO THE IRS. CERTAIN BENEFICIAL OWNERS (INCLUDING AMONG OTHERS, CORPORATIONS AND CERTAIN TAX-EXEMPT ORGANIZATIONS) ARE NOT SUBJECT TO BACKUP WITHHOLDING. THE FAILURE TO COMPLY WITH THE BACKUP WITHHOLDING RULES MAY RESULT IN THE IMPOSITION OF PENALTIES BY THE IRS.

LEGAL MATTERS

Legal Proceedings

Delivery of the Series 2025 Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General of the State to the effect that the Series 2025 Bonds are valid and legally binding obligations of the County 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 Series 2025 Bonds, the legal opinion of Bond Counsel to a like effect.

Orrick, Herrington & Sutcliffe LLP serves as Bond Counsel to the County. Jackson Walker 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 Series 2025 Bonds.

Legal Opinions

The County will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Series 2025 Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Series 2025 Bonds are valid and binding special obligations of the County. The County will also furnish the legal opinion of Bond Counsel to the effect that, based upon an examination of such transcript, the Series 2025 Bonds are valid and binding special obligations of the County under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Series 2025 Bonds, including principal of and interest thereon, are payable from and secured by a pledge of and lien on the Trust Estate. Bond Counsel will also provide a legal opinion to the effect that interest on the Series 2025 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 Series 2025 Bonds herein under the captions or subcaptions "PLAN OF FINANCE – The Series 2025 Bonds," "DESCRIPTION OF THE SERIES 2025 BONDS," "SECURITY FOR THE BONDS SIMILARLY SECURED" (except for the last paragraph under the subcaption "General"), "ASSESSMENT PROCEDURES" (except for the first paragraph under the subcaption "General" and the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS – Legal Proceedings," "LEGAL MATTERS – Legal Opinions," "SUITABILITY FOR INVESTMENT," "CONTINUING DISCLOSURE – The County," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and APPENDIX B and such firm is of the opinion that the information relating to the Series 2025 Bonds, the Bond Order, the Assessment Order, and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Series 2025 Bonds, such information conforms to the Bond Order, the Assessment Order and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Series 2025 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 County

At the time of delivery and payment for the Series 2025 Bonds, the County 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, to its knowledge, overtly threatened against the County affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Series 2025 Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of the Improvement Area #1 Assessments securing the Series 2025 Bonds, or in any way contesting or affecting the validity or enforceability of the Series 2025 Bonds, the Assessment Order, the Indenture, any action of the County 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 County or its authority with respect to the Series 2025 Bonds or any action of the County contemplated by any documents relating to the Series 2025 Bonds.

Litigation – The Developer

At the time of delivery and payment for the Series 2025 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 general partner or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Series 2025 Bonds, the Indenture, the Bond Order, the Service and Assessment Plan, the Development Agreement, the Reimbursement Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Series 2025 Bonds. Additionally, principals of Developer and their affiliated entities have been (but are not currently) parties to pending and threatened litigation related to their commercial and real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

SUITABILITY FOR INVESTMENT

Investment in the Series 2025 Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Series 2025 Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the County 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.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2025 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 Series 2025 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 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 Series 2025 Bonds has been made to any rating agency, nor is there any reason to believe that the County would have been successful in obtaining an investment grade rating for the Series 2025 Bonds had application been made.

CYBERSECURITY RISKS

The County, like other political subdivisions in the State, utilizes technology in conducting its operations. As a user of technology, the County potentially faces cybersecurity threats (e.g., hacking, phishing, viruses, malware and ransomware) on its technology systems. Accordingly, the County may be the target of a cyber-attack on its technology systems that could result in adverse consequences to the County. The County employs a multi-layered approach to combating cybersecurity threats. While the County 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 County'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 County to litigation and other legal risks, which could cause the County to incur other costs related to such legal claims or proceedings.

CONTINUING DISCLOSURE

The County

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the County, the Administrator and Regions Bank (in such capacity, the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of Issuer") for the benefit of the Owners of the Series 2025 Bonds (including owners of beneficial interests in the Series 2025 Bonds) to provide, by certain dates prescribed in the Disclosure Agreement of Issuer, certain financial information and operating data relating to the County (collectively, the "County Reports"). The specific nature of the information to be contained in the County Reports is set forth in "APPENDIX E-1 – Form of Disclosure Agreement of Issuer." Under certain circumstances, the failure of the County 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 Series 2025 Bonds (including owners of beneficial interests in the Series 2025 Bonds) to bring an action for specific performance.

The County has agreed to update information and to provide notices of certain specified events only as provided in the Disclosure Agreement of Issuer. The County 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 County makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Series 2025 Bonds at any future date. The County 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 County's Compliance with Prior Undertakings

During the last five years, the County has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

The Developer

The Developer, the 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 Series 2025 Bonds

(including owners of beneficial interests in the Series 2025 Bonds) to provide, by certain dates prescribed in the Disclosure Agreement of Developer, certain information regarding the Development and the Improvement Area #1 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 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 Series 2025 Bonds (including owners of beneficial interests in the Series 2025 Bonds) to bring an action for specific performance.

The Developer has agreed to prepare and provide (i) certain updated information to the Administrator, which consultant will prepare and provide such updated information in report form to the Dissemination Agent 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 Series 2025 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

The Developer has not previously entered into to a continuing disclosure agreement made by it in accordance with the Rule.

UNDERWRITING

The Underwriter has agreed to purchase the Series 2025 Bonds from the County at a purchase price of \$_____ (representing the par amount of the Series 2025 Bonds, less an underwriting discount of \$_____). The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the Series 2025 Bonds the Underwriter will be obligated to purchase all of the Series 2025 Bonds. The Series 2025 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 Series 2025 Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Series 2025 Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Series 2025 Bonds been qualified under the securities acts of any other jurisdiction. The County assumes no responsibility for qualification of the Series 2025 Bonds under the securities laws of any jurisdiction in which the Series 2025 Bonds may be sold, assigned, pledged, hypothecated, or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Series 2025 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 Series 2025 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 Series 2025 Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act (the “PFIA”) requires that the Series 2025 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 Series 2025 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 Series 2025 Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the County has been made of the laws in other states to determine whether the Series 2025 Bonds are legal investments for various institutions in those states. No representation is made that the Series 2025 Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The County 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 Series 2025 Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Series 2025 Bonds for such purposes.

INVESTMENTS

The County invests its funds in investments authorized by State law in accordance with investment policies approved by the Commissioners Court. Both State law and the County’s investment policies are subject to change.

Under State law, the County 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 County selects from a list the governing body or designated investment committee of the County 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 County 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 County’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 County appoints as the County’s custodian of the banking deposits issued for the County’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 County deposits, or (ii) certificates of deposits where (a) the funds are invested by the County 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 County 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 County, (b) the broker or the depository institution selected by the County 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 County, (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 County 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 County 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 County or cash held by the County to be pledged to the County, held in the County's name, and deposited at the time the investment is made with the County or with a third party selected and approved by the County, 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 County 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 County and deposited with the County or a third party selected and approved by the County.

The County may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The County 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 County retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the County must do so by order or resolution of the Commissioners Court. The County 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 County 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 County, held in the County's name and deposited at the time the investment is made with the County or a third party designated by the County; (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 County 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 County 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 County 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 County'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 County's investment officers must submit an investment report to the Commissioners Court detailing: (1) the investment position of the County, (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 County funds without express written authority from the Commissioners Court.

Under State law, the County is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument an order or resolution of the Commissioners Court 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 order or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the County to disclose the relationship and file a statement with the Texas Ethics Commission and the Commissioners Court; (4) require the qualified representative of firms offering to engage in an investment transaction with the County to: (a) receive and review the County's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the County and the business organization that are not authorized by the County'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 County 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 County'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 County'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 County.

INFORMATION RELATING TO THE TRUSTEE

The County has appointed Regions Bank, an Alabama state banking corporation, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility or liability 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 Series 2025 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 County of any of the Series 2025 Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Series 2025 Bonds by the County. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2025 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 Series 2025 Bonds, the technical or financial feasibility of the project, or the investment quality of the Series 2025 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at <https://www.regions.com/>. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Series 2025 Bonds.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the County'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 County 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, orders, 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 Development and the Developer generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE – Overview," "– Development Plan," and "– Developer and Homebuilders," "OVERLAPPING TAXES AND DEBT – Homeowners' Association Dues," "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1 Projects, and the Development), "LEGAL MATTERS – Litigation – The Developer," and "APPENDIX E-2" have been provided by the Developer. The Developer warrants and represents that the information contained in the foregoing sections of this Limited Offering Memorandum 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 Series 2025 Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the County and the Underwriter.

Experts

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

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

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the County 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 Series 2025 Bonds, the County 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 County to so amend or supplement the Limited Offering Memorandum will terminate when the County delivers the Series 2025 Bonds to the Underwriter, unless the Underwriter notifies the County on or before such date that less than all of the Series 2025 Bonds have been sold to ultimate customers; in which case the County's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the County delivers the Series 2025 Bonds) until all of the Series 2025 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 COUNTY 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 Commissioners Court has authorized the use of this Preliminary Limited Offering Memorandum by the Underwriter in connection with the marketing and sale of the Series 2025 Bonds.

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APPENDIX A

GENERAL INFORMATION REGARDING THE COUNTY

The following information has been provided for informational purposes only.

General

Montgomery County (the “County”) was created on December 14, 1837, by an act of the Congress of the Republic of Texas. It is bisected by Interstate 45 and is located approximately forty miles north of downtown Houston. The County, a component of the Houston metropolitan area, has a historic economy based on mineral production (oil, gas, sand, and gravel), agriculture (horses, cattle, and greenhouse nurseries), and lumbering (timber products). Recently, the economy has shifted toward an urban-rural mix, including energy, education, health and social services, with retail trade and manufacturing. The County consists of approximately 1,044 square miles of rolling, densely forested land. Many residents of the County work in the City of Houston.

According to the U.S. Census Bureau, the County had a population of 49,479 in 1970, 127,722 in 1980, 180,394 in 1990, 293,768 in 2000, 455,746 in 2010 and 620,443 in 2020, representing an increase of 36.14% from 2010 to 2020.

Cities within the County are Conroe, Cut and Shoot, Magnolia, Montgomery, Oak Ridge North, Panorama Village, Patton Village, Pinehurst, PPorter Heights, Roman Forest, Shenandoah, Splendora, Stagecoach, Willis, Woodbranch Village, and Woodloch.

School districts within the County are Cleveland ISD, Conroe ISD, Magnolia ISD, Montgomery ISD, New Caney ISD, Richards ISD, Splendora ISD, Tomball ISD and Willis ISD. The largest school district is Conroe ISD, comprising approximately 348 square miles, located in south central Montgomery County adjacent to the northern boundary of Harris County, and includes such communities as the City of Conroe, The Woodlands, Shenandoah, Oak Ridge North, and Cut and Shoot, as well as several other smaller towns, communities and unincorporated areas. Conroe ISD has seven high schools (Grades 9-12), three 9th grade schools, seven junior high schools (Grades 7-8), eleven intermediate schools (Grades 5-6), five elementary/intermediate schools (Grades K-6) and thirty-three elementary schools (Grades K-4). At the start of the 2024-2025 school year, Conroe ISD had an enrollment of over 74,000.

The County owns and operates the Conroe-North Houston Regional Airport which is a full-service facility located four miles from Conroe. Houston’s Intercontinental Airport, located nearby in Harris County, offers international travel for passengers and cargo.

Population History (a)

	Montgomery County	
	Number	% Change
1930	14,588	-15.84
1940	23,055	+58.04
1950	24,504	+6.28
1960	26,839	+9.53
1970	49,479	+84.35
1980	127,722	+158.04
1990	182,201	+42.65
2000	293,768	+61.23
2010	455,746	+55.14
2020	620,443	+36.14
2024(b)	711,354	+14.65

(a) Source: U.S. Census Bureau.

(b) Estimated.

Major Employers in Montgomery County

Alight	Exxon Mobile	Montgomery County
Amegy Bank	Halliburton	Montgomery ISD
Baker Hughes	HCA Houston Healthcare - Conroe	New Caney ISD
BrightView	Houston Methodist The Woodlands	NOV
Chevron Phillips Chemical Company	Hospital	Occidental Petroleum
CHI St. Luke's Health - The Woodlands Hospital	Huntsman Corporation	Steris Cantel
City of Conroe	Invited Clubs	Texas Children's Hospital The Woodlands
Conroe ISD	Linde	The Woodlands Township
Consolidated Communications	Lone Star College System	Tri County Behavioral Healthcare
CVS Corporation	Magnolia ISD	Univar Solutions
Disney Digital Center	McKesson Specialty Health	Western Midstream
Encompass Health	MD Anderson Cancer Center	Wildcat PPE
Entergy Texas	Memorial Hermann The Woodlands Medical Center	Willis ISD
		Woodforest National Bank

Employment Statistics

- Montgomery County -

	<u>2024 (a)</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Labor Force	322,432	311,467	302,110	294,875	289,558
Employed	307,917	299,211	290,130	277,933	267,945
Unemployed	14,515	12,256	11,980	16,942	21,613
Unemployment Rate	4.5%	3.9%	4.0%	5.7%	7.5%

(a) As of August 31, 2024.
Source: Texas Workforce Commission

Building Permits

Summary of Montgomery County Building Permit Activity

<u>Fiscal Year</u>	<u>Commercial Permits</u>	<u>Estimated Value (000)</u>	<u>Residential Permits</u>	<u>Estimated Value (000)</u>
2013	379	\$531,226	3,957	\$813,145
2014	534	978,740	4,413	1,040,684
2015	523	397,010	4,231	984,839
2016	493	611,163	3,559	803,357
2017	460	473,110	3,921	913,281
2018	461	400,392	5,088	1,113,908
2019	574	587,804	4,483	995,127
2020	631	480,608	6,228	1,261,781
2021	961	432,806	8,757	1,905,019
2022	777	557,384	9,597	2,294,608
2023	2,850	6,202,987	8,615	1,929,216
2024(a)	3,014	(b)	9,466	(b)

Source: Montgomery County Engineer.

(a) As of October 1, 2024.

(b) Effective September 1, 2023, the State no longer allows Permit Departments to collect the value of construction.

APPENDIX B
FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

MONTGOMERY COUNTY, TEXAS

and

REGIONS BANK, AN ALABAMA STATE BANKING CORPORATION
as Trustee

DATED AS OF JANUARY 15, 2025

SECURING

[\$ _____]
MONTGOMERY COUNTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(MEADOW PARK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of January 15, 2025, is by and between MONTGOMERY COUNTY, TEXAS (the "County"), and Regions Bank, an Alabama state banking corporation, 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 (the "Petition") was submitted and filed with the County Clerk (the "County Clerk") of the County 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 in the County and in the extraterritorial jurisdiction of the City of Cut and Shoot, Texas (the "City") to be known as Meadows Park Public Improvement District (the "District");

WHEREAS, on March 8, 2022, the Commissioners Court of the County (the "Commissioners Court") approved: (1) setting a public hearing on April 12, 2022, to receive comments on the Petition, (2) publishing notice of the public hearing, and (3) mailing notice of the public hearing to affected parties;

WHEREAS, the Petition contained the signatures of the owners 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 Montgomery Central Appraisal District, and the signatures of the property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the District;

WHEREAS, on April 12, 2022, after due notice, the Commissioners Court 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;

WHEREAS, the Commissioners Court made the findings required by Section 372.009(b) of the PID Act and, by a resolution adopted by a majority of the members of the Commissioners Court (the "Creation Resolution"), authorized the creation of the District in accordance with its finding as to the advisability of the improvement projects and services;

WHEREAS, on April 18, 2022, the County recorded the Creation Resolution in the real property records of the County;

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the County Clerk within 20 days after April 18, 2022;

WHEREAS, no objection was made by the City to the establishment of the District within 30 days of the County's action approving the Creation Resolution;

WHEREAS, on December 5, 2023, upon request of Meadow Park, Ltd., the developer and landowner of the property within the District, the Commissioners Court adopted a Resolution and Order changing the name of the District to "Meadow Park Public Improvement District;"

WHEREAS, on July 2, 2024, the Commissioners Court adopted an order determining the costs of certain public improvements benefiting Improvement Area #1 of the District to be financed through the District, approving the Meadow Park Public Improvement District Preliminary Service and Assessment Plan, including the proposed assessment roll for Improvement Area #1 (the "Improvement Area #1 Assessment Roll"), scheduling a public hearing to consider an order levying assessments on property within Improvement Area #1 of the District (the "Improvement Area #1 Assessments"), authorizing the publication and mailing of notice of the public hearing to consider the levying of the Improvement Area #1 Assessments for financing the costs of Improvement Area #1 Projects (defined herein) benefiting Improvement Area #1 in a newspaper of general circulation in the County and the City;

WHEREAS, on July 2, 2024, the Commissioners Court caused the Improvement Area #1 Assessment Roll identifying the Improvement Area #1 Assessments to be filed with the Tax Assessor-Collector and such assessment roll was made available for public inspection;

WHEREAS, on July 5, 2024, the Commissioners Court, pursuant to Section 372.016(b) of the PID Act, caused notice of a public hearing to be published in *The Courier of Montgomery County*, a newspaper of general circulation in the County and in the extraterritorial jurisdiction of the City, to consider the proposed Improvement Area #1 Assessment Roll and the Meadow Park Public Improvement District Service and Assessment Plan (the "Service and Assessment Plan"), and the levy of the Improvement Area #1 Assessments on property in the District;

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

WHEREAS, the Commissioners Court convened the hearing on July 23, 2024, and at such public hearing all persons who appeared, or requested to appear, in person or by their representative, were given the opportunity to contend for or contest the inclusion of the Improvement Area #1 Assessments on the Improvement Area #1 Assessment Roll and the proposed Improvement Area #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #1 Assessments, the allocation of costs of the Improvement Area #1 Projects to Improvement Area #1, the purposes of the Improvement Area #1 Assessments, the special benefits of the Improvement Area #1 Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Improvement Area #1 Assessments, and there were no written objections or evidence submitted to the County Clerk or the County Tax Assessor-Collector in opposition to the Service and Assessment Plan, the allocation of Actual Costs, the Improvement Area #1 Assessment Roll, and the levy of the Improvement Area #1 Assessments;

WHEREAS, on July 23, 2024, the Commissioners Court closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the County, approved, and accepted the Service and Assessment Plan (the "Original Service and Assessment Plan") in conformity with the requirements of the PID Act and adopted the Assessment Order (as defined herein) and therein levied the Improvement Area #1 Assessments;

WHEREAS, while the total Improvement Area #1 Assessments levied and Improvement Area #1 Assessments allocated to each Improvement Area #1 Assessed Property was correct in

the Improvement Area #1 Assessment Roll approved in the Service and Assessment Plan, the Improvement Area #1 Assessment Roll omitted to include the amount of the Annual Installment due no later than January 31, 2025;

WHEREAS, on September 10, 2024, the Commissioner Court approved an annual service plan update (the "2024 Annual Service Plan Update") which updated the Improvement Area #1 Assessment Roll by including the Improvement Area #1 Annual Installment due January 31, 2025;

WHEREAS, concurrently herewith, the Commissioners Court approved the "Meadow Park Public Improvement District 2025 Amended and Restated Service and Assessment Plan," which amends and restates the Original Service and Assessment Plan, as updated, in its entirety, including updating the Improvement Area #1 Assessment Roll for the issuance of the Series 2025 Bonds;

WHEREAS, the County now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled "Montgomery County, Texas Special Assessment Revenue Bonds, Series 2025 (Meadow Park Public Improvement District Improvement Area #1 Project)" (the "Series 2025 Bonds"), such Series 2025 Bonds being payable solely as provided in this Indenture; and

WHEREAS, the County has determined to enter into this Indenture with the Trustee in connection with the issuance of the Series 2025 Bonds.

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

FIRST GRANTING CLAUSE

The Pledged Revenues 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 County to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

SECOND GRANTING CLAUSE

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

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds 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, that if and to the extent Improvement Area #1 Assessments have been prepaid, the lien on real property associated with such Prepayment (as defined herein) shall be released, and the rights of the Trustee and the Owners under this Indenture to proceed against the County for the purpose of protecting and enforcing the rights of the Owners with respect to such released real property shall terminate;

PROVIDED, FURTHER, HOWEVER, if the County or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price (as defined herein) 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 remain in full force and effect;

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 County 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:

“2025 Amended and Restated Service and Assessment Plan” means the “Meadow Park Public Improvement District 2025 Amended and Restated Service and Assessment Plan,” which amends and restates the Original Service and Assessment Plan, as updated, in its entirety, attached to the Bond Order and approved by the Commissioners Court on January 7, 2025.

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

“Actual Costs” mean, with respect to Improvement Area #1 Project, the actual costs paid or incurred by or on behalf of the Developer, (either directly or through affiliates), including: (1) the costs for the design, planning, administration/management, acquisition, installation, construction and/or implementation and dedication of such Authorized Improvements; (2) the fees paid for obtaining permits, zoning, licenses, plan approvals, inspections or other governmental approvals for such Authorized Improvements; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, owing to contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Authorized

Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, legal, consulting, and other governmental fees, construction security, insurance premiums, directly related to the construction of the Authorized Improvements, and charges and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee not exceeding four percent (4%) of construction costs if managed by or on behalf of the Developer.

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

“Additional Interest Rate” means the additional interest rate, not to exceed 0.50%, that may be charged on the Improvement Area #1 Assessments pursuant to Section 372.018 of the PID Act.

“Additional Interest Reserve Account” means the reserve account administered by the County and segregated from other funds of the County 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 note or time warrant secured in whole or in part by an assessment, other than the Improvement Area #1 Assessments securing the Bonds Similarly Secured, levied against property within Improvement Area #1 in accordance with the PID Act.

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

“Administrator” means the County or third-party designee of the County who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the County related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

“Annual Collection Costs” means the actual or budgeted costs and expenses for: (1) the Administrator and County staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the County; (3) calculating, collecting, and maintaining records with respect to Improvement Area #1 Assessments and Annual Installments; (4) preparing and maintaining records with respect to the Improvement Area #1 Assessment Roll and Annual Service Plan Updates; (5) issuing, paying, and redeeming the Bonds Similarly Secured; (6) investing or depositing Improvement Area #1 Assessments and Annual Installments; (7) complying with the Service and Assessment Plan and the PID Act with respect to the administration of a reimbursement agreement and the issuance and sale of the Bonds Similarly Secured, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with the Bonds Similarly Secured, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds 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 the Improvement Area #1 Assessed Property, each annual payment of (i) the Improvement Area #1 Assessments (including both principal of and interest on the Improvement Area #1 Assessments) as shown on the Improvement Area #1 Assessment Roll attached to the Service and Assessment Plan as Exhibit F-1, or in an Annual Service Plan Update, and calculated as provided in the Service and Assessment Plan, (ii) Annual Collection Costs, and (iii) Additional Interest.

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the Commissioners Court.

“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 County and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

“Assessment Order” means the order adopted by the Commissioners Court on July 23, 2024, that levied the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property

“Assessment Revenue” means monies collected by or on behalf of the County from any one or more of the following: (i) an Improvement Area #1 Assessment levied against an Improvement Area #1 Assessed Property, or Annual Installment payment thereof, including any interest on such Improvement Area #1 Assessment or Annual Installment thereof during any period of delinquency, but excluding any portion of the Annual Installment allocable to Annual Collection Costs, (ii) a Prepayment, and (iii) Foreclosure Proceeds. Assessment Revenues do not include Delinquent Collection Costs.

“Authorized Denomination” means \$100,000 and any integral multiple of \$1,000 in excess thereof; provided, however, that if the total principal amount of the Outstanding Bonds Similarly Secured is less than \$100,000, then the Authorized Denomination of such Outstanding Bond Similarly Secured shall be the amount of the Outstanding Bonds Similarly Secured. Notwithstanding the foregoing, Authorized Denominations shall also include Bonds Similarly Secured issued in \$1,000 in principal amount and integral multiples of \$1,000 in the following instances: (A) any Bonds Similarly Secured or any portion thereof that have been redeemed in part pursuant to an extraordinary optional redemption or (B) any Bonds Similarly Secured or any portion thereof that have been defeased in part pursuant to an extraordinary optional redemption.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act including those listed in Section III of the Service and Assessment Plan and whose estimated costs are shown in Exhibit B-1 of the Service and Assessment Plan.

“Bond Counsel” means Orrick, Herrington & Sutcliffe LLP or any other attorney or firm of attorneys designated by the County that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

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

“Bond Order” means the order adopted by the Commissioners Court on January 7, 2025 authorizing the issuance of the Series 2025 Bonds pursuant to this Indenture and approving the Service and Assessment Plan.

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

“Bond Year” means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.

“Bonds Similarly Secured” means the Outstanding Series 2025 Bonds and any Outstanding Refunding Bonds hereafter issued pursuant to and secured under this Indenture.

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

“Certificate for Payment” means a certificate substantially in the form attached hereto as Exhibit B or otherwise approved by the Developer and the County Representative executed by a Person approved by the County Representative, delivered to the County Representative and the Trustee specifying the amount of work performed and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in the Project Fund as further described in the Development Agreement and Section 6.5 herein.

“Closing Date” means the date of the initial delivery of and payment for each series of Bonds Similarly Secured. With respect to the Series 2025 Bonds, the Closing Date is [January 30, 2025].

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

“Costs of Issuance Account” means the means the Account of such name established in Section 6.1 hereof.

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

“County Representative” means any official or agent of the County authorized by the Commissioners Court to undertake the action referenced herein.

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

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

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office located in Birmingham, Alabama, 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 County and such successor.

“Developer” means Meadow Park, LTD., a Texas limited partnership, and its assignees or affiliates.

“Development Agreement” means the “Development Agreement” between the County and the Developer, relating to the Bonds Similarly Secured, dated as of June 13, 2023, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds Similarly Secured and the payment of costs of Authorized Improvements, the issuance of bonds, the reimbursement of costs to the Developer from the proceeds of the Bonds Similarly Secured for funds advanced by the Developer and used to pay Actual Costs of such Authorized Improvements and other matters related thereto.

“District” means the Meadow Park Public Improvement District.

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

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

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

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

“Improvement Area #1” means 44.457 acres located within the District specifically described in Exhibit K-2 of the Service and Assessment Plan, and depicted on Exhibit A-2 of the Service and Assessment Plan.

“Improvement Area #1 Assessed Property” means each respective parcel of land located within Improvement Area #1 of the District against which an Improvement Area #1 Assessment is levied.

“Improvement Area #1 Assessment Roll” means the assessment roll attached as Exhibit F-1 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 Improvement Area #1 Assessment against the Improvement Area #1 Assessed Property related to the Bonds Similarly Secured and the Improvement Area #1 Project, 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 Assessments” means the aggregate assessments shown on the Improvement Area #1 Assessment Roll.

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

“Improvement Area #1 Improvements” means the Authorized Improvements that benefit Improvement Area #1 Assessed Property, as more specifically described in Section III.B of the Service and Assessment Plan and depicted on Exhibit G to the Service and Assessment Plan.

“Improvement Area #1 Major Improvements” means Improvement Area #1’s allocable share of the Major Improvements.

“Improvement Area #1 Projects” mean, collectively, the Improvement Area #1 Improvements and the Improvement Area #1 Major Improvements.

“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 County who, or each of whom: (i) is judged by the County, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds Similarly Secured; (ii) is in fact independent and not under the domination of the County; (iii) does not have any substantial interest, direct or indirect, with or in the County, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the County as an officer or employee of the County, but who may be regularly retained to make reports to the County.

“Initial Bond” means, with respect to the Series 2025 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 any series of Bonds Similarly Secured is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 15 and September 15 of each year, and, with respect to the Series 2025 Bonds, commencing March 15, 2025.

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

“Major Improvements” mean the Authorized Improvements that benefit the entire District and are more specifically described in Section III.A of the Service and Assessment Plan.

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

“Original Service and Assessment Plan” means the “Meadow Park Public Improvement District Service and Assessment Plan” attached to the Bond Order and approved by the Commissioners Court on July 23, 2024.

“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 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 hereof, 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” means the Person who is the registered owner of a Bond Similarly Secured 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.

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

“PID Bonds” means any bonds issued by the County, in one or more series, secured in whole or in part by an assessment levied against a parcel within the District and imposed pursuant to an assessment order and the provisions in the Service and Assessment Plan, including the Series 2025 Bonds and any Refunding Bonds.

“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, (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the County may pledge to the payment of Bonds Similarly Secured.

“Prepayment” means the payment of all or a portion of an Improvement Area #1 Assessment before the due date thereof.

“Principal and Interest Account” means the Account of such name established pursuant to Section 6.1 and administered pursuant to Section 6.4 herein.

“Project Collection Fund” means that Fund established pursuant to Section 6.1 and administered pursuant to Section 6.10 herein.

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

“Purchaser” means the initial purchaser of each series of 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 last calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

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

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

“Redemption Price” means 100% of the principal amount of such Bonds Similarly Secured called for redemption, or portions thereof, to be redeemed plus accrued and unpaid interest to the date fixed for redemption.

“Refunding Bonds” means bonds 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.

“Reserve Account” means the Account of such name established pursuant to Section 6.1 and administered pursuant to Section 6.7 herein.

“Reserve Account Requirement” means the least of, as of the Closing Date of the Series 2025 Bonds: (i) Maximum Annual Debt Service on the Series 2025 Bonds, (ii) 125% of average Annual Debt Service on the Series 2025 Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Series 2025 Bonds or the original issue price of the Series 2025 Bonds. [For the purpose of calculating Maximum Annual Debt Service and Annual Debt Service for the Reserve Account Requirement, Bond Year ending September 30, 2025 shall be excluded.] As of the Closing Date of the Series 2025 Bonds, the Reserve Account Requirement is \$[] which is an amount equal to Maximum Annual Debt Service on the Series 2025 Bonds.

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

“Series 2025 Bonds” means the County’s bonds authorized to be issued by Section 3.1 of this Indenture entitled “Montgomery County, Texas, Special Assessment Revenue Bonds, Series 2025 (Meadow Park Public Improvement District Improvement Area #1 Project).”

“Service and Assessment Plan” means the 2025 Amended and Restated Service and Assessment Plan, as may be updated and amended from time to time, including any Annual Service Plan Update.

“Sinking Fund Installment” means the amount of money to redeem or pay at maturity the principal of Bonds Similarly Secured 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 County Representative pursuant to an order adopted by the Commissioners Court 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 County on the Closing Date for each series of Bonds Similarly Secured setting forth the facts, estimates and circumstances in existence on the applicable Closing Date which establish that it is not expected that the proceeds of such series of Bonds Similarly Secured will be used in a manner that would cause the interest on such Bonds Similarly Secured to be included in the gross income of the Owners thereof for Federal income tax purposes.

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

“Trustee” means Regions Bank, an Alabama state banking corporation, Dallas, Texas, duly organized and validly existing under the laws of the United States of America, solely in its capacity as Trustee hereunder and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds 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 SIMILARLY SECURED

Section 2.1. 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.

Any security interest created by this Indenture is valid and binding and automatically and fully perfected from and after the Closing Date and shall remain perfected continuously through the termination of this Indenture in accordance with the terms set forth herein, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any document, 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 security interests created by this Indenture. If the security interests created by this Indenture ever are subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the Owners of the Bonds Similarly Secured the perfection of the security interests created by this Indenture, the County shall take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and make all filings necessary or advisable to perfect the security interests created by this Indenture.

Without limiting any of the foregoing, the Trustee agrees and accepts the appointment of the Trustee pursuant to the terms of this Indenture, and further agrees that, subject to the terms of this Indenture, this Indenture shall constitute a security agreement and the Trustee, as secured party, shall be entitled to exercise any and all rights and remedies that the Trustee may have hereunder or applicable law with respect thereto.

Section 2.2. Special and Limited Obligations.

The Bonds Similarly Secured are special and limited obligations of the County, 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 County.

Section 2.3. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the County to the Trustee have been duly authorized by official action of the Commissioners Court of the County. The County 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 2.4. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the

Bonds Similarly Secured and to prescribe the rights of the Owners, and the rights and duties of the County 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 County with the Owners, and shall be deemed to be and shall constitute a contract among the County, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS SIMILARLY SECURED

Section 3.1. Authorization.

(a) The Series 2025 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 Series 2025 Bonds shall be issued in the aggregate principal amount of \$[] for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) funding a reserve fund for payment of principal and interest on the Series 2025 Bonds, (iii) funding the initial deposit to the Administrative Fund for payment of the initial Annual Collection Costs and (iv) paying costs of issuance of the Series 2025 Bonds.

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

(a) The Series 2025 Bonds.

(i) The Series 2025 Bonds shall be dated January 15, 2025 and shall be issued in Authorized Denominations. The Series 2025 Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond for the Series 2025 Bonds, which shall be numbered T-1.

(ii) Interest shall accrue and be paid on each Series 2025 Bond from the later of the Closing Date of the Series 2025 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 15 and September 15 of each year, commencing March 15, 2025 computed on the basis of a 360-day year of twelve 30-day months.

(iii) The Series 2025 Bonds shall mature on September 15 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>
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(iv) The Series 2025 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 Series 2025 Bond set forth in Exhibit A to this Indenture.

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

(a) The Series 2025 Bonds shall be executed by the County and delivered to the Trustee, whereupon the Trustee shall authenticate the Series 2025 Bonds and, upon payment of the purchase price of the Series 2025 Bonds, shall deliver the Series 2025 Bonds upon the order of the County, but only upon delivery (which delivery may be via electronic mail in portable document (PDF) or similar format) to the Trustee of:

- (i) a copy of the executed Assessment Order;
- (ii) a copy of the executed Bond Order;
- (iii) a copy of the Development Agreement;
- (iv) a copy of this Indenture executed by the Trustee and the County;
- (v) a copy of the executed opinion of Bond Counsel;
- (vi) a copy of the executed Continuing Disclosure Agreements;
- (vii) a copy of the approving opinion of the Attorney General of the State of Texas; and
- (viii) a County Certificate directing the authentication and delivery of the Series 2025 Bonds, describing the Series 2025 Bonds to be authenticated and delivered, designating the purchasers to whom the Series 2025 Bonds are to be delivered, stating the purchase price of the Series 2025 Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the County.

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 on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date that continues for 30 days or more 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 County. 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 city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which 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 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 County to be used for any lawful purpose. Thereafter, none of the County, 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, including the provisions of Title 6 of the Texas Property Code, as amended.

Section 3.5. Execution and Registration of Bonds Similarly Secured.

(a) The Bonds Similarly Secured shall be executed on behalf of the County by the County Judge of the County and countersigned by the County Clerk of the County, by their manual or facsimile signatures, and the official seal of the County 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 County had been manually impressed upon each of the Bonds Similarly Secured.

(b) In the event that any officer of the County 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, 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 such Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligation of the County, and has been registered by the Comptroller of Public Accounts of the State of Texas, including the provisions of Title 6 of the Texas Property Code, as amended.

(d) On the Closing Date for each series of the 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, or its designee, executed with the manual or facsimile signatures of the County Judge of the County and countersigned by the County Clerk of the County, 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 such 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 the Bonds Similarly Secured, in the aggregate principal amount of all Bonds Similarly Secured of such series for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. Refunding Bonds.

(a) Except in accordance with the provisions of this Indenture, including Section 13.2, the County shall not issue additional bonds, notes or other obligations payable from any portion of the Trust Estate, other than Refunding Bonds. The County 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.

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

(c) Upon their authorization by the County, the Refunding Bonds of a series issued under this Section 3.6 and in accordance with Article IV hereof shall be issued and shall be delivered to the purchasers or owners thereof.

Section 3.7. Ownership.

(a) The County, 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 County 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 County, 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 County 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 County, 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. If any Bond Similarly Secured is not presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond Similarly Secured shall have been made available to the Trustee, all liability of the County to the Owner thereof for the payment of such Bond Similarly Secured shall forthwith cease and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner of such Bond Similarly Secured who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part under this Indenture, or with respect to, said Bond Similarly Secured.

(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. The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured exchanged for other Bonds Similarly Secured in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured transferred or exchanged 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 County 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 County 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 County 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 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 policies of the Trustee.

Section 3.10. Temporary Bonds Similarly Secured.

(a) Following the delivery and registration of the respective Initial Bond and pending the preparation of definitive Bonds Similarly Secured, the proper officers of the County may execute and, upon the County's written 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 County 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 County, 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 the 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 County shall issue and 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 County 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 County 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 County 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 County 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 County, 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 County 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 County 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 County 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 County 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 County 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 Bond 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 County'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 Bond Similarly Secured certificate evidencing the obligation of the County 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 County determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the County to DTC, the County 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, and 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 County to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

The Bonds Similarly Secured 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 Series 2025 Bonds, shall be subject to mandatory sinking fund redemption and optional redemption as provided in an amendment and restatement of this Indenture or the Supplemental Indenture authorizing the issuance of such series of Bonds Similarly Secured.

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Series 2025 Bonds.

(i) The Series 2025 Bonds are subject to mandatory sinking fund redemption prior to their respective Stated Maturity and will be redeemed by the County in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

	<u>§[_____]Bonds Maturing September 15, 20</u>
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>

* Stated maturity.

\$[]Bonds Maturing September 15, 20

Redemption Date

Sinking Fund
Installment

* Stated maturity.

\$[]Bonds Maturing September 15, 20

Redemption Date

Sinking Fund
Installment

* Stated maturity.

\$[]Bonds Maturing September 15, 20

Redemption Date

Sinking Fund
Installment

* Stated maturity.

(ii) At least 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 for redemption by lot, a principal amount of Series 2025 Bonds of such maturity equal to the Sinking Fund Installment of such Series 2025 Bonds to be redeemed on such mandatory sinking fund redemption date, shall call such Series 2025 Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(iii) The Sinking Fund Installments of Series 2025 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 County, by the principal amount of any Series 2025 Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the County at a price not exceeding the principal amount of such Series 2025 Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(iv) The Sinking Fund Installments of Series 2025 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 on a pro rata basis among Sinking Fund Installments by the principal amount of any Series 2025 Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

(a) The Series 2025 Bonds. The County reserves the right and option to redeem Series 2025 Bonds maturing on or after [____], before their respective scheduled maturity date, in whole or in part, on any date on or after [____], such redemption date or dates to be fixed by the County, at the Redemption Price. The County shall notify the Trustee in writing no less than 45 days before the redemption date fixed by the County in accordance with this Section.

Section 4.4. Extraordinary Optional Redemption.

The County reserves the right and option to redeem Bonds Similarly Secured before their scheduled maturity dates, in whole or in part, on any date, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of this Indenture. The County shall notify the Trustee in writing at least 45 days before the scheduled extraordinary optional redemption date fixed by the County, or such other period of time as the Trustee and the County shall mutually agree.

Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption pursuant to this Section 4.4 unless it has at least \$1,000 available in the Redemption Fund with which to redeem the Bonds Similarly Secured.

Section 4.5. Partial Redemption.

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

(b) If less than all of a series of Bonds Similarly Secured are called for optional redemption pursuant to Section 4.3 hereof, the County shall, pursuant to a County Certificate, determine the Bond Similarly Secured or Bonds Similarly Secured or the amount thereof within

a Stated Maturity to be redeemed and direct the Trustee to call by lot the Bonds Similarly Secured, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

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

(d) Upon surrender of any Bond Similarly Secured for redemption in part, the Trustee in accordance with Section 3.8 of this Indenture, shall authenticate and deliver an exchange Bond Similarly Secured or Bonds Similarly Secured of the same series and in an aggregate principal amount equal to the unredeemed portion of the Bond Similarly Secured 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 Similarly Secured 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 Similarly Secured or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds Similarly Secured are in book-entry-only form and held by DTC as security depository, 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 Similarly Secured are to be surrendered for payment, and, if less than all the Bonds Similarly Secured Outstanding are to be redeemed, and subject to Section 4.5 hereof, an identification of the Bonds Similarly Secured 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 Similarly Secured 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 County 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 Similarly Secured then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(e) With respect to any optional redemption of the Bonds Similarly Secured, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds Similarly Secured to be redeemed before giving of a notice of redemption, the notice may state the County 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 County shall not redeem the Bonds Similarly Secured and the Trustee shall give

notice, in the manner in which the notice of redemption was given, that the Bonds Similarly Secured have not been redeemed.

Section 4.7. Purchase Price for Bonds.

Upon receipt of written notice from the County specifying the Bonds Similarly Secured to be purchased, the Trustee shall apply moneys available for redemption to the purchase of Bonds Similarly Secured which were otherwise to be redeemed in such order or priority and subject to such restrictions as may be prescribed in this Indenture in the manner provided in this Section. The purchase price paid by the Trustee on behalf of the County (excluding accrued and unpaid interest but including any brokerage and other charges) for any Bond Similarly Secured purchased by the County shall not exceed the principal amount of such Bond Similarly Secured.

Section 4.8. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds Similarly Secured 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 County and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds Similarly Secured being redeemed.

(b) Upon presentation and surrender of any Bond Similarly Secured called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond Similarly Secured to the date of redemption from the moneys set aside for such purpose.

Section 4.9. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.6 of this Indenture, the Bonds Similarly Secured 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 Similarly Secured to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds Similarly Secured or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds Similarly Secured are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS SIMILARLY SECURED

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 Bond Similarly Secured, (i) shall be, with respect to the Series 2025 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 County 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) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

(e) The form of each series of Refunding Bonds shall be set forth in an amendment and restatement of this Indenture or the applicable Supplemental Indenture authorizing the issuance of such Refunding Bonds in accordance with this Indenture.

Section 5.2. CUSIP Registration.

The County may secure identification numbers through the CUSIP Services, managed by FactSet Research Systems Inc. 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 Similarly Secured. 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 County, 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 the 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 County 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 Similarly Secured over the certification of the County Clerk of the County, 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;
- (vii) Administrative Fund; and
- (viii) Project Collection 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 Redemption Account is hereby created and established under the Redemption Fund.

(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 County. 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) 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.

(e) The Trustee may, from time to time, upon written direction from the County pursuant to a County Certificate, create additional Funds or Accounts hereunder as may be necessary for the receipt and application of the Improvement Area #1 Assessment Revenues or the Annual Collection Costs, to account properly for the payment of the Actual Costs of the Improvement Area #1 Projects or to facilitate the payment or redemption of the Bonds Similarly Secured.

Section 6.2. Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the Series 2025 Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the Reserve Account of the Reserve Fund: \$[_____];
- (ii) to the Costs of Issuance Account of the Project Fund: \$[_____];
- (iii) to the Improvement Area #1 Improvement Account of the Project Fund: \$[_____]; and
- (iv) to the Administrative Fund: \$[_____].

(b) On or before February 28, 2025, County shall transfer or cause to be transferred any surplus annual installment remaining after the deposit to the Bond Pledged Revenue Account of the Pledged Revenue Fund in accordance with Section 6.3(a)(i) hereof, to the Improvement Area #1 Improvement Account of the Project Fund.

Section 6.3. Pledged Revenue Fund.

(a) On or before March 1 and on or before the first day of each month thereafter while the Bonds Similarly Secured are Outstanding, the County shall deposit or cause to be deposited with the Trustee all Pledged Revenues, if any, another than the Pledged Revenues on deposit in the Project Collection Fund, which revenues shall be transferred in accordance with Section 6.10 hereof, into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, including the Pledged Revenues transferred from the Project Collection Fund pursuant to Section 6.10 hereof, the Trustee shall deposit or cause to be deposited Assessment Revenues in the following order of priority:

- (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 hereof;
- (iii) third, to the Additional Interest Reserve Account in an amount equal to the Additional Interest collected, up to the Additional Interest Reserve Requirement in accordance with Section 6.7 hereof; and
- (iv) fourth, as instructed by the County pursuant to a County Certificate, to pay other costs permitted by the PID Act.

Along with each deposit of Pledged Revenues from the Project Collection Fund to the Pledged Revenue Fund, the County shall provide a County Certificate to the Trustee identifying (i) the portions of the Pledged Revenues attributable to principal (including Sinking Fund Installments) and interest on the Bonds Similarly Secured, Additional Interest, Prepayments and Foreclosure Proceeds, (ii) the Funds and Accounts into which the amounts are to be deposited and (iii) the amounts of any payments to be made from such Funds and Accounts.

(b) From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five 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 Account.

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and promptly 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 Improvement Area #1 Assessed Property 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 Improvement Area #1 Assessed Property to which the Foreclosure Proceeds relate, and third to the Redemption Account.

(f) Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the County pursuant to a County 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 of the Bond Fund and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and/or interest then due and payable on the Bonds Similarly Secured.

(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(g) 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) 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 County Certificates.

(b) 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 Projects. Disbursements from the Improvement Area #1 Improvement Account to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment in the form attached as Exhibit B hereto. The disbursement of funds from the Improvement Area #1 Improvement Account shall be pursuant to and accordance with the disbursement procedures described in the Development Agreement. Such provisions and procedures related to such disbursement contained in the Development Agreement, and no other provisions of the Development Agreement, are herein incorporated by reference and deemed set forth herein in full.

(c) If the County 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 Projects such that, in the opinion of the County Representative, it is unlikely that the amounts in the Improvement Area #1 Improvement Account will ever be expended for the purposes of the Improvement Area #1 Improvement Account and all outstanding amounts due to the Developer to reimburse it under one or more approved Certificate for Payments pursuant to the terms of the Development Agreement have been made, the County Representative shall file a County Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Improvement Account that are not expected to be used for purposes of the Improvement Area #1 Improvement Account. If such County Certificate is so filed, the amounts on deposit in the Improvement Area #1 Improvement Account shall be transferred to the Redemption Account to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture and the Improvement Area #1 Improvement Account shall be closed.

(d) Upon the filing of a County Certificate stating that all Improvement Area #1 Projects have been completed and that all Actual Costs of the Improvement Area #1 Projects have been paid, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #1 Improvement Account to the Principal and Interest Account 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 Section 6.5 and the Costs 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.

(e) In making any determination pursuant to this Section, the County Representative may conclusively rely upon a certificate of an Independent Financial Consultant or a report issued by the County's engineer.

(f) Not later than six months following the respective Closing Date, upon a determination by the County Representative that all costs of issuance of the applicable series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Area #1 Improvement Account, and used to pay Actual Costs or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds Similarly Secured, as directed by the County in a County Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

(a) Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee shall cause to be deposited to the Redemption Account, from the Bond Pledged Revenue Account of the Pledged Revenue Fund, an amount sufficient to redeem Bonds Similarly Secured 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 Similarly Secured as provided in Article IV. The Trustee may establish subaccounts within the Redemption Account as may be necessary to effectuate the redemption or defeasance of one or more Series of Bond Similarly Secured.

Section 6.7. Reserve Fund.

(a) The Reserve Account will initially be funded with a deposit of \$[] from the proceeds of the Series 2025 Bonds and the County agrees with the Owners of the Bonds Similarly Secured to accumulate from the deposits outlined in Section 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 shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund or the Redemption Fund as provided in this Indenture.

(b) The Trustee, if needed, will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account, to the extent that the Reserve Account contains the Reserve Account Requirement and funds are available after application of the deposit priority in Section 6.3(a) hereof, an amount equal to the Additional Interest 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 County, in writing, of the amount of such shortfall, and the County shall resume depositing the Additional Interest from 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 County 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. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Account and shall notify the County of such transfer in writing.

(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 County, specifying the amount withdrawn and the source of said funds.

(d) Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayment(s) pursuant to Section 4.4, the Trustee, pursuant to a County Certificate, shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the County and the Trustee), from the Reserve Account to the Redemption Account(s) to which the Prepayment(s) relate, an amount specified in such County Certificate to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account 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 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(s) toward payment of accrued and unpaid interest to the date of redemption on the Bonds Similarly Secured to be redeemed, there are insufficient funds in the Redemption Fund, including all of the Accounts therein, 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 County Certificate, as a result of such Prepayment(s) 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, 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 Account 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 County Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the County 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 30 days of such notice to the County Representative, the Trustee receives a County Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof; (ii) to the Improvement Area #1 Improvement Account of the Project Fund, to the extent such Account has not been closed, if such application and the expenditure of funds is expected to occur within three years of the date hereof; or (iii) for such other use specified in such County Certificate if the County 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. The Trustee shall incur no liability for the accuracy or validity of any such transfer so long as the Trustee made such transfer in compliance with this Section and in accordance with a County Certificate.

(f) Whenever, on any Interest Payment Date, or on any other date at the request of the County pursuant to a County Certificate, the amount on deposit in the Additional Interest Reserve Account of the Reserve Fund exceeds the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the County of the amount of the excess (the "Excess Additional Interest Reserve Amount"). The Excess Additional Interest Reserve Amount on deposit in the Additional Interest Reserve Account of the Reserve Fund shall be transferred, at the direction of the County pursuant to a County Certificate, by the Trustee to the Redemption Fund, and the Trustee shall notify the County of such transfer in writing. In transferring the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #1 Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a County Certificate directing that a different amount be used.

(g) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first, from the Additional Interest Reserve Account, and second, from the Reserve Account to the Bond Fund the amounts necessary to cure such deficiency.

(h) 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.

(i) 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.

(j) 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 and of all Outstanding Bonds Similarly Secured on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds Similarly Secured as of such Interest Payment Date, the moneys shall be transferred to the Redemption Account 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 County to be designated "Montgomery County, Texas, (Meadow Park PID) 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 Similarly Secured due the United States Government in accordance with the Code.

(b) In order to assure that the 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 each respective Tax Certificate, as further set forth in a County Certificate delivered to the Trustee. Without limitation of any provision of Article IX of this Indenture, the Trustee may concussively rely on such County Certificate and shall not be responsible for any loss or liability resulting from the investment of funds under this Section, but only so long as the Trustee complies with such County Certificate.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and shall not be liable or responsible if it follows the instructions of the County, as provided in a County Certificate delivered to the Trustee, and shall not be required to take any action under this Section in the absence of such written instructions from the County.

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

Section 6.9. Administrative Fund.

(a) The County shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay the Annual Collection Costs and Delinquent Collection Costs, other than the Annual Collection Costs and Delinquent Collection Costs deposited into the Project Collection Fund, which amounts shall be deposited in accordance with Section 6.10 hereof.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a County 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. Project Collection Fund

(a) While any Bonds Similarly Secured are Outstanding, the Montgomery County Tax Office or the Montgomery Central Appraisal District, by written instructions from or agreement with the County, as applicable, may collect Assessment Revenue on the County's behalf. If such tax office or appraisal district presents or otherwise tenders to the Trustee such collected Assessment Revenue for deposit on the County's behalf, the Trustee shall accept such Assessment Revenue and deposit the same into the Project Collection Fund. The Trustee shall, as directed by the County pursuant to a County Certificate, deposit or cause to be deposited (i) all of that portion of the Assessment Revenue deposited into the Project Collection Fund that consists of the Annual Collection Costs and Delinquent Collection Costs to the Administrative Fund and (ii) all of that portion of the Assessment Revenue deposited into the Project Collection Fund that consists of Pledged Revenues into the Pledged Revenue Fund for future allocations as set forth in Section 6.3(a) hereof. The County shall provide such County Certificate on or before March 1 and on or before the first day of each month thereafter while the Bonds Similarly Secured are Outstanding. The Project Collection Fund is not a Pledged Fund. If there are insufficient funds to make the deposit in full set forth in (i) of Section 6.3(a) for the debt service payment date immediately following the required County Certificate delivery date or the deposit in full set forth in (ii) of Section 6.3(a) after the County provides a County Certificate by the dates specified in this Section 6.10 and after the Trustee deposits all Pledged Revenues received as provided in this Section 6.10 and Section 6.3(a), the County will provide additional County Certificates as soon as practicable to the Trustee from time to time upon notice from the Trustee that additional Assessment Revenues have been deposited to the Project Collection Fund and the Trustee will make the transfers contemplated by this Section 6.10 and Section 6.3(a) as necessary to ensure the deposits set forth in (i) through (iii) of Section 6.3(a) are made in full.

Section 6.11. 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 County pursuant to a County Certificate filed with the Trustee at least two 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. 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 may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such

money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold in order to make the disbursements required or permitted by this Indenture or to prevent any default. In the absence of direction pursuant to a County Certificate, money in any Fund or Account established pursuant to this Indenture shall be invested in the Federated Treasury Obligations Fund ([____]), CUSIP No. [_____].

(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 County 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 shall follow the written instruction of any County Certificate. 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 County 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. Upon the County's election, such statements will be delivered via the Trustee's online service and paper statements will be provided only upon written request therefor.

Section 6.12. Advances from Available Funds.

(a) In the event of a delinquency in the payment of any installment of the Improvement Area #1 Assessment levied upon any property for the payment of the principal portion of an Annual Installment, the County may, but is not obligated to, be the purchaser of the delinquent property upon which any of said Improvement Area #1 Assessments are levied in like manner in which it may become the purchaser of property sold for the nonpayment of general ad valorem property taxes, and in the event the County does so become the purchaser of such property, shall pay and transfer and deposit into the Pledged Revenue Fund the amount of any remaining amount of unpaid Improvement Area #1 Assessment, delinquent Annual Installments and interest thereon. The County may also pay and transfer from available funds and deposit into the Pledged Revenue Fund, but shall not be so obligated, the amount of any such Improvement Area #1 Assessment pending redemption or sale. Any amounts so advanced by the County shall be recoverable upon sale or redemption of the property. The County shall not

be obligated to advance available funds to cure any deficiency in the Pledged Revenue Fund, or any other Fund created hereunder, and has determined that it would not obligate itself to advance available funds from other funds of the County to cure any such deficiency.

Section 6.13. 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 Improvement Area #1 Assessments.

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

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

(a) For so long as any Bonds Similarly Secured are Outstanding and/or amounts are due the Developer to reimburse it for funds it has contributed to pay costs of the Improvement Area #1 Projects, the County covenants, agrees and warrants 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.

(b) The County will determine or cause to be determined, no later than March 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the County 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 County shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Improvement Area #1 Assessment or the corresponding Improvement Area #1 Assessed Property. Furthermore, nothing shall obligate the County, the County 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 County and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

(a) The County shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, or upon any

other property pledged under this Indenture, except the pledge created for the security of the Bonds 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, the County shall not issue any bonds, notes or other evidences of indebtedness secured by any pledge of or other lien or charge on the Pledged Revenues, the Pledged Funds, the Trust Estate or other property pledged under this Indenture, except that the County may issue Refunding Bonds in accordance with the terms of this Indenture, as provided in Section 13.2 hereof.

Section 7.4. Records, Accounts, Accounting Reports.

The County 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 Projects remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Improvement Area #1 Assessments. The Trustee and Owner or 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 County by the Trustee or duly authorized representative, as applicable. The County 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 County's regular business hours and on a mutually agreeable date not later than 15 days after the County receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

For any Bonds Similarly Secured for which the County intends that the interest on the Bonds Similarly Secured shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable temporary, proposed and final regulations (the "Regulations") and procedures promulgated thereunder and applicable to the Bonds Similarly Secured, the County covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Bonds Similarly Secured (including all property the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Bonds Similarly Secured) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause interest on the Bonds Similarly Secured to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Bonds Similarly Secured for federal income tax purposes. Without limiting the generality of the foregoing, the County shall comply with each of the following covenants:

(a) The County will use all of the proceeds of the Bonds Similarly Secured to provide funds for the purposes described in Section 3.1 hereof. The County will not use any portion of the proceeds of the Bonds Similarly Secured to pay the principal of or interest or redemption premium on, any other obligation of the County or a related person.

(b) The County will not directly or indirectly take any action, or omit to take any action, which action or omission would cause the Bonds Similarly Secured to constitute "private activity bonds" within the meaning of Section 141(a) of the Code.

(c) Principal of and interest on the Bonds Similarly Secured will be paid solely from the Improvement Area #1 Assessments collected by the County and investment earnings on such collections.

(d) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Bonds Similarly Secured are delivered, the County reasonably expects that the proceeds of the Bonds Similarly Secured will not be used in a manner that would cause the Bonds Similarly Secured or any portion thereof to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(e) At all times while the Bonds Similarly Secured are Outstanding, the County will identify and properly account for all amounts constituting gross proceeds of the Bonds Similarly Secured in accordance with the Regulations. The County will monitor the yield on the investments of the proceeds of the Bonds Similarly Secured and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Bonds Similarly Secured. To the extent necessary to prevent the Bonds Similarly Secured from constituting “arbitrage bonds,” the County will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Bonds Similarly Secured to be less than the yield that is materially higher than the yield on the Bonds Similarly Secured.

(f) The County will not take any action or knowingly omit to take any action that, if taken or omitted, would cause the Bonds Similarly Secured to be treated as “federally guaranteed” obligations for purposes of Section 149(b) of the Code.

(g) The County represents that not more than 50% of the proceeds of the Bonds Similarly Secured will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the County reasonably expects that at least 85% of the spendable proceeds of the Bonds Similarly Secured will be used to carry out the governmental purpose of the Bonds Similarly Secured within the three-year period beginning on the date of issue of the Bonds Similarly Secured.

(h) The County will take all necessary steps to comply with the requirement that certain amounts earned by the County on the investment of the gross proceeds of the Bonds Similarly Secured, if any, be rebated to the federal government. Specifically, the County will (i) maintain records regarding the receipt, investment, and expenditure of the gross proceeds of the Bonds Similarly Secured as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the County allocable to other obligations of the County or moneys which do not represent gross proceeds of any obligations of the County and retain such records for at least six years after the day on which the last outstanding Bond Similarly Secured is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of any gross proceeds, (iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Bonds Similarly Secured and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the County will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error

within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, interest thereon and any penalty.

(i) The County will not directly or indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds Similarly Secured that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if such arrangement had been at arm's length and had the yield on the Bonds Similarly Secured not been relevant to either party.

(j) The County will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Bonds Similarly Secured on such form and in such place as the Secretary may prescribe.

(k) The County will not issue or use the Bonds Similarly Secured as part of an "abusive arbitrage device" (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Bonds Similarly Secured are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the County to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.

(l) Proper officers of the County charged with the responsibility for issuing the Bonds Similarly Secured are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Bonds Similarly Secured and stating whether there are facts, estimates or circumstances that would materially change the County's expectations. On or after the date of issuance of the Bonds Similarly Secured, the County will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.

(m) The covenants and representations made or required by this Section are for the benefit of the Owners and any subsequent Owner, and may be relied upon by the Owners and any subsequent Owners and Bond Counsel to the County.

(n) In complying with the foregoing covenants, the County may rely upon an unqualified opinion issued to the County by nationally recognized bond counsel that any action by the County or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Bonds Similarly Secured to be includable in gross income for federal income tax purposes under existing law.

(o) Notwithstanding any other provision of this Indenture, the County's representations and obligations under the covenants and provisions of this Section shall survive the defeasance and discharge of the Bonds Similarly Secured for as long as such matters are relevant to the exclusion of interest on the Bonds Similarly Secured from the gross income of the Owners for federal income tax purposes.

(p) The County hereby directs and authorizes the County Judge, County Auditor, the County Attorney, or County Clerk, 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 COUNTY

Neither the full faith and credit nor the general taxing power of the County is pledged to the payment of the Bonds Similarly Secured, and except for the Trust Estate, no County taxes, fee or revenues 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 County 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 this Indenture.

The County 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 County 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 County 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 County 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 County and conforming to the requirements of this Indenture. The County 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 Order, 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 (collectively, the "Bond Documents"), shall require the County to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Annual Collection Costs) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the County 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 County or any of its officers, officials, agents, or employees for damages suffered as a result of the County'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 County, 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 Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the County or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all

rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

The County 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 County 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 County 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 County, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or County Auditor or other person designated by the Commissioners Court to so act on behalf of the County, and such certificate shall be full warrant to the County for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the County 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 County may employ such persons or entities as it deems necessary or advisable. The County shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Trustee as Registrar and Paying Agent.

The Trustee is hereby designated and agrees to act as the initial Paying Agent /Registrar for and in respect to the Bonds Similarly Secured. The Trustee hereby accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the express terms and conditions, and subject to the provisions of this Indenture to all of which the parties hereto and the Owners of the Bonds Similarly Secured agree. No implied covenants or obligations shall be read into this Indenture against the Trustee.

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 by the Owner against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that absent an Event of Default, the Trustee shall not request or require indemnification as a condition to making any deposits, payments or transfers when directed in writing or required

hereunder, or to delivering any notice when directed in writing or required hereunder. 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 Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue 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 County and the Trustee assumes no responsibility for and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of 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 actually received by it in its capacity as Trustee; (iii) the application of any moneys paid to the County or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; or (v) to undertake any other action unless specifically authorized or required pursuant to a written County Certificate or pursuant to this Indenture. 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 permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and, with respect to such permissive rights, the Trustee shall not be answerable for other than its negligence or willful misconduct. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a reasonably prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct, both before and after default by the County. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture or for the existence, furnishing or use of the Improvement Area #1 Projects.

The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the County or by the Owners of at least 51% of the aggregate principal amount of Bonds Similarly Secured then Outstanding. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default.

In case a default or an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified), the Trustee shall exercise those rights and powers vested in it by this Indenture and shall use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

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 is entitled to rely upon any order, notice, request, consent, waiver, certificate (including a County 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, the validity thereof, or matters referred to in any such instrument. The Trustee may consult with counsel selected by the Trustee with due care, 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, suffered, or omitted to be taken by it in good faith and in accordance therewith. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request, or giving such authority or consent to the Owner of any Bond Similarly Secured, shall be conclusive and binding upon all future owners of the same Bond Similarly Secured and upon Bonds Similarly Secured issued in exchange therefor and upon transfer or in place thereof.

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 County Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such County 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 County to the Trustee shall be sufficiently executed if executed in the name of the County by the County 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 Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with costs for any

extraordinary services rendered and 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 County 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, and to the extent moneys in the Administrative Fund are insufficient, then from any moneys in its possession (except the Rebate Fund) under any provisions hereof for the foregoing reasonable advances, fees, costs, and expenses incurred. The right of the Trustee to fees, expenses, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the Owner of or may in good faith buy, sell, own, hold and deal in Bonds 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 County or any committee formed to protect the rights of Owners 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 Owners of a majority in aggregate principal amount of the Bonds Similarly Secured Outstanding.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the County 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; provided, however, if, after 30 days following receipt of notice, no appointment of a successor trustee shall have been made, the Trustee or any Owner of the Bonds Similarly Secured may apply to any court of competent jurisdiction for the appoint of such successor as provided in Section 9.10, and the County shall be responsible for the cost of any such appointment process.

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 County, or (ii) so long as the County is not in default under this Indenture, the County. Copies of each such instrument shall be promptly delivered by the County 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 County 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 as 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 after any such vacancy shall have occurred by the Owners of at least 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 County.

Until such successor Trustee shall have been appointed by the Owners of the Bonds Similarly Secured in accordance with the immediately preceding paragraph, the County shall forthwith (and in no event in excess of 30 days after such vacancy occurs) appoint a Trustee to act hereunder. Copies of any instrument of the County providing for any such appointment shall be promptly delivered by the County to the Trustee so appointed. The County 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 County 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 30 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 County shall be responsible for the costs of such appointment process. Any duties and obligations of such predecessor Trustee shall thereafter cease and terminate, and the payment of the fees and expenses owed to the predecessor Trustee shall be paid in full.

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 County 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 written request of the County, as evidenced in a County Certificate, 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 County 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 County.

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. Security Interest in Trust Estate.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds Similarly Secured and the pledge of the Trust Estate provided for herein, and such pledge is, under current law, valid, effective and perfected. The County shall cause to be filed all appropriate initial financing statements, if any, to ensure that the Trustee (for the benefit of the Owners of the Bonds Similarly Secured) is granted a valid and perfected first priority lien on the entire Trust Estate. Nothing herein shall obligate the Trustee to file any initial financing statements and the Trustee is not responsible for such filing or the information contained therein (including the exhibits thereto), the perfection of any such security interests, the determination of the filing office for such initial filing, or the accuracy or sufficiency of any description of collateral in such initial filings, or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code, as enacted in the State of Texas. Upon the County's timely delivery of a copy of such filed initial financing statement, if any, to the Trustee, the Trustee shall file continuation statements of such initial financing statement; provided, however, that unless the Trustee is otherwise notified by the County, the Trustee may conclusively rely upon (and be fully protected in relying upon) the initial financing statement or the description of collateral in such initial financing statement delivered to Trustee by the County in filing any continuation statements hereunder in the same filing offices as the initial filings were made.

Section 9.14. Offering Documentation.

The Trustee shall have no responsibility or liability with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds Similarly Secured and shall have no responsibility or liability for compliance with any State or federal securities laws in connection with the Bonds Similarly Secured.

Section 9.15. Expenditure of Funds and Risk.

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured.

Section 9.16. Environmental Hazards.

The Trustee may inform any Owner of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and in such event, no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

The Trustee shall not be responsible or liable for the environmental condition related to the improvements to any real property or for diminution in value of the same, or for any claims by or on behalf of the owners thereof as the result of any contamination by a hazardous substance, hazardous material, pollutant, or contaminant. The Trustee assumes no duty or obligation to assess the environmental condition of any improvements or with respect to compliance thereof under State or federal laws pertaining to the transport, storage, treatment, or disposal of hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits, or licenses issued under such laws.

Section 9.17. 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 County, 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 9.18. 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 County and of the Owners of the Bonds Similarly Secured may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds Similarly Secured, or with the written consent without a meeting, of the Owners of at least 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 Similarly Secured or reduce the principal of or interest rate thereon, or otherwise alter or impair the obligation of the County 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 County of any pledge or lien upon the Trust Estate superior to the pledge and lien created for the benefit of the Bonds Similarly Secured, (iii) except for the issuance of Refunding Bonds or as otherwise permitted by this Indenture and Applicable Law, permit the creation by the County of any pledge or lien upon the Trust Estate, or any portion thereof, on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured, or (iv) reduce the percentage of the Owners of Bonds Similarly Secured required for the amendment of this Indenture. 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 County 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 County 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 County;

(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 County 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; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds Similarly Secured.

This Indenture and the rights and obligations of the County and of the Owners may also be modified or amended at any time by a Supplemental Indenture or by amending and restating

this Indenture, without the consent of any Owners, to authorize Refunding Bonds in accordance with the provisions of this Indenture.

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

Section 10.2. Owners' Meetings.

The County may at any time call a meeting of the Owners of the Bonds Similarly Secured. In such event the County is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt reasonable rules and regulations for the conduct of said meeting; provided, however, that the same may not conflict with the terms of this Indenture. Without limiting the generality of the immediately preceding sentence, such rules and regulations may not reduce the percentage of Owners of Bonds Similarly Secured required for the amendment of this Indenture as provided herein.

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

(a) The County 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.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided and the County has delivered to the Trustee an opinion of Bond Counsel as set forth in Section 10.8 herein. 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.

(c) After the Owners of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the County 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 County and the

Owners of all Bonds Similarly Secured at the expiration of 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 County, 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 County 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 a form approved by the County, 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 County may select and designate for that purpose, a suitable notation shall be made on such Bond Similarly Secured. The County may determine that new Bonds Similarly Secured, so modified as in the opinion of the County 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 the Owners of at least 51% in aggregate principal amount of the Bonds Similarly Secured then Outstanding, the Owners may waive compliance by the County with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.8. 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 Bond Counsel addressed to the Trustee and the County to the effect that such Supplemental Indenture is permitted by and in compliance with this Indenture and will not adversely affect the exclusion of interest on the Bonds Similarly Secured from gross income for purposes of federal income

taxation. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture or otherwise.

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 County to deposit the Assessment Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;

(ii) The failure of the County 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 30 days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds available to the County to make any such payment; and

(iv) Default in the performance or observance of any covenant, agreement or obligation of the County under this Indenture and the continuation thereof for a period of 90 days after written notice to the County 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 and requesting that the failure be remedied.

(b) Nothing in Section 11.1(a) will be an Event of Default if it is in violation of any applicable state law or court order. Nothing in (iii) above shall require the County to advance funds other than Pledged Revenues that have been received by the County or other funds available in the Pledged Funds to pay principal of or interest on the Bonds Similarly Secured.

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 shall, proceed against the County 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 this Indenture or 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 County 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 County shall determine, in its absolute discretion, and shall instruct the Trustee by County 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 County shall fail to deliver to the Trustee such County 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 County 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 County, 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 County shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (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 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 written direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least 51% 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 in writing; 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 County 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 County, 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, Pledged Funds and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, be applied by the Trustee, on behalf of the County, 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 or Redemption Price due and to the Owners entitled thereto, without any discrimination or preference.

Within 30 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 County 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.

The Trustee, if previously directed in writing by Owners of at least a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding, shall waive any Event of Default hereunder and its consequences.

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 County 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 County shall be promptly delivered to the Trustee and cancelled. Such Bonds Similarly Secured will not be deemed Outstanding for any purpose, including without limitation, the purpose of consent or other action or any calculation of Outstanding Bonds Similarly Secured provided for in this Indenture, and the County 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 a majority of the aggregate principal amount of the Bonds Similarly Secured Outstanding 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 any 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 law 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 County 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 Pledged Revenues and the Trust Estate 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 County 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 County 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 Improvement Area #1 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 County, to the affected property owners on the same statement or such other mechanism that is used by the County, 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 County.

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 County, 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 County 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 County under the provisions of this Indenture.

Section 12.4. Statutory Verifications.

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

(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, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(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, Government Code.

(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), Government Code.

(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), Government Code.

Section 12.5. Disclosure of Interested Parties.

Submitted herewith (or on a date prior hereto) is a completed Form 1295 in connection with the execution of this Indenture 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 County hereby confirms receipt of the Form 1295 from the Trustee, and the County 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 Trustee and the County understand and agree that, with the exception of information identifying the County and the contract identification number, neither the County 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 Trustee; and, neither the County nor its consultants have verified such information.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

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

(a) The County reserves the right to issue Additional Obligations under other indentures, assessment orders, or similar agreements or other obligations which do not constitute or create a lien on any portion of the Trust Estate and are not payable from Pledged Revenues or any other portion of the Trust Estate.

(b) Other than Refunding Bonds, the County will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in this Section shall require the County to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

(c) Notwithstanding anything to the contrary herein, no Refunding Bonds may be issued by the County unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds are scheduled to mature on September 15 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid.

Section 13.3. Books of Record.

(a) The County 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 County, which relate to 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 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 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 County 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 County 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 County 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 County may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the County.

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 at the same time, 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 County verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of 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 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 County 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 County, 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 County shall be for the sole and exclusive benefit of the Owners and the Trustee.

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

Whenever in this Indenture or any Supplemental Indenture either the County 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 County 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 County 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 County 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 County and Trustee.

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

If to the County:

Montgomery County Commissioner Precinct 4
23628 Roberts Road
New Caney, Texas 77357

Telephone: (936) 521-8919

With a copy to:

Montgomery County Attorney's Office
Attn: B.D. Griffin
501 N. Thompson, Suite 300
Conroe, Texas 77301
Email: bd.griffin@mctx.org
Telephone: (936) 539-7828

With a copy to:

Thaheimer, Cipione, Whelan & Morgan, PLLC
Attn: Susan Mills Cipione
8350 North Central Expressway, Suite 1420
Dallas, Texas 75206
Email: scipione@tcwmlaw.com
Telephone: 214-954-6812

Any such notice, demand, or request may also be transmitted to the appropriate party by 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 on the same business day 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 parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail or other similar unsecured electronic methods, provided, however, that the County shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the County elects to give the Trustee e-mail instructions (or instructions by a similar electronic method) and the Trustee in its sole discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. 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 instructions conflict or are inconsistent with a previous or subsequent written instruction. The County agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions 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.

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 County 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.

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

MONTGOMERY COUNTY, TEXAS

By: _____,
Mark J. Keough, County Judge

Attest:

L. Brandon Steinmann
County Clerk

[SEAL OF COMMISSIONERS COURT]

REGIONS BANK, an Alabama state
banking corporation
as Trustee

By: _____
Authorized Officer

*Signature Page to Indenture of Trust
Relating to
MONTGOMERY COUNTY, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(MEADOW PARK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)*

EXHIBIT A

(a) Form of Bond.

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

REGISTERED

REGISTERED

No. _____

\$ _____

United States of America
State of Texas

MONTGOMERY COUNTY, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2025
(MEADOW PARK 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 15, 20____	January 30, 2025	_____

Montgomery County, Texas (the "County"), 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 Series 2025 Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 15 and September 15 of each year, commencing March 15, 2025, until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture, and not otherwise 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 Series 2025 Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Series 2025 Bond at the corporate trust office in Birmingham, Alabama (the "Designated Payment/Transfer Office"), of Regions Bank, an Alabama state banking corporation, 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 Series 2025 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 Series 2025 Bond, the registered owner shall be the Person in whose name this Series 2025 Bond is registered at the close of business on the "Record Date," which shall be the close of business on the last calendar day (whether or not a Business Day) of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and that continues for 30 days or more 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 County. 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 Series 2025 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 Series 2025 Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Series 2025 Bond is one of a duly authorized issue of assessment revenue bonds of the County having the designation specified in its title (herein referred to as the "Series 2025 Bonds"), dated January 15, 2025 issued in the aggregate principal amount of \$[] and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of January 15, 2025 (the "Indenture"), by and between the County 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 Owners of the Series 2025 Bonds, the Trustee, and the County, and the terms upon which the Series 2025 Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each Owner of this Series 2025 Bond hereby consents. All Series 2025 Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Series 2025 Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) funding a reserve fund for payment of principal and interest on the Series 2025 Bonds, (iii) funding the initial deposit to the Administrative Fund for payment of the initial Annual Collection Costs and (iv) paying costs of issuance of the Series 2025 Bonds.

The Series 2025 Bonds are special, limited obligations of the County 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 County, the Trustee and the Owners. The Owner of this Series 2025 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 County to make money available to pay this Series 2025 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 Series 2025 Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of \$100,000 and any multiple of \$1,000 in excess thereof.

The Series 2025 Bonds are subject to mandatory sinking fund redemption ("Mandatory Sinking Fund Redemption") prior to their Stated Maturity and will be redeemed by the County in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment as set forth in the following schedule:

\$[_____] Bonds Maturing _____ , 20

Redemption Date

Sinking Fund
Installment

* Stated maturity.

\$[_____] Bonds Maturing _____ , 20

Redemption Date

Sinking Fund
Installment

* Stated maturity.

\$[_____] Bonds Maturing _____ , 20

Redemption Date

Sinking Fund
Installment

* Stated maturity.

\$[_____] Bonds Maturing _____ , 20

Redemption Date

Sinking Fund
Installment

* Stated maturity.

At least 45 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption by lot, a principal amount of Series 2025 Bonds of such maturity equal to the Sinking Fund Installment of such Series 2025 Bonds to be redeemed on such mandatory sinking fund redemption date, shall call such Series 2025 Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The Sinking Fund Installments of Series 2025 Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the County, by the principal amount of any Series 2025 Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the County at a price not exceeding the principal amount of such Series 2025 Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The Sinking Fund Installments of Series 2025 Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date shall be reduced a pro rata basis among Sinking Fund Installments by the principal amount of any Series 2025 Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions or the extraordinary optional redemption provisions, each as described below, and not previously credited to a Mandatory Sinking Fund Redemption.

The County reserves the right and option to redeem Series 2025 Bonds maturing on or after [____], 20[] before their scheduled maturity dates, in whole or in part, on any date on or after [____], 20[], such redemption date or dates to be fixed by the County, at the Redemption Price ("Optional Redemption").

Series 2025 Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any date, at a Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund pursuant to the Indenture ("Extraordinary Optional Redemption").

If less than all of the Series 2025 Bonds are to be redeemed, Series 2025 Bonds shall be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each Series 2025 Bond shall be treated as representing the number of Series 2025 Bonds that is obtained by dividing the principal amount of such Series 2025 Bond by \$1,000. No redemption shall result in a Series 2025 Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Series 2025 Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Series 2025 Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

If less than all of the Series 2025 Bonds are called for Optional Redemption, the County shall, pursuant to a County Certificate, determine the Series 2025 Bond or Series 2025 Bonds or the amount thereof within a Stated Maturity to be redeemed and direct the Trustee to call by lot the Series 2025 Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

If less than all of the Series 2025 Bonds are called for Extraordinary Optional Redemption, the Series 2025 Bonds or portion of a Series 2025 Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Series 2025 Bonds. If less than all Series 2025 Bonds within a Stated Maturity are called for Extraordinary Optional Redemption, the Trustee shall call by lot the Series 2025 Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

The Trustee shall give notice of any redemption of Series 2025 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 Series 2025 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 Series 2025 Bonds are to be surrendered for payment, and, if less than all the Series 2025 Bonds Outstanding are to be redeemed, an identification of the Series 2025 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 Series 2025 Bond shall become due and payable. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The County has the right to rescind any Optional Redemption or Extraordinary Optional Redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Series 2025 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

With respect to any Optional Redemption of the Series 2025 Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Series 2025 Bonds to be redeemed before giving of a notice of redemption, the notice may state the County 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 County shall not redeem the Series 2025 Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Series 2025 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 County and the rights of the Owners of the Series 2025 Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the Owners of specified percentages in aggregate principal amount of the Series 2025 Bonds at the time Outstanding, on behalf of the Owners of all the Series 2025 Bonds, to waive compliance by the County with certain past defaults under the Bond Order or the Indenture and their consequences. Any such consent or waiver by the Owner of this Series 2025 Bond or any predecessor Series 2025 Bond evidencing the same debt shall be conclusive and binding upon such Owner and upon all future Owners thereof and of any Series 2025 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 Series 2025 Bond.

As provided in the Indenture, this Series 2025 Bond is transferable upon surrender of this Series 2025 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 Series 2025 Bond. Upon satisfaction of such requirements, one or more new fully registered Series 2025 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 County nor the Paying Agent shall be required to issue, transfer or exchange any Series 2025 Bond called for redemption where such redemption is scheduled to occur within 45 calendar days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Series 2025 Bond redeemed in part.

The County, the Trustee, and any other Person may treat the Person in whose name this Series 2025 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 Series 2025 Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Series 2025 Bond be overdue, and neither the County nor the Trustee shall be affected by notice to the contrary.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE COUNTY, THE CITY OF CUT AND SHOOT, TEXAS, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE SERIES 2025 BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Series 2025 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 Series 2025 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 County, including the Series 2025 Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the Commissioners Court of the County has caused this Series 2025 Bond to be executed under the official seal of the County.

County Judge, Montgomery County, Texas

County Clerk, Montgomery County, Texas

[County Seal]

(b) Form of Comptroller's Registration Certificate.

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §

OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

I HEREBY CERTIFY THAT there is on file and of record in my office an opinion to the effect that the Attorney General of the State of Texas has approved this Series 2025 Bond, and that this Series 2025 Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Series 2025 Bonds of the series of Series 2025 Bonds referred to in the within mentioned Indenture.

Regions Bank, an Alabama state banking
corporation
as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

(Social Security or other identifying number: _____) the within Series 2025 Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Series 2025 Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Series 2025 Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

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

(i) immediately under the name of the Series 2025 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 Series 2025 Bond, the words "on the Maturity Date as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 15 in each of the years, in the principal amounts and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
-------------	-------------------------	----------------------

(Information to be inserted from Section 3.2(a)(iii) hereof); and

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

EXHIBIT B

Form of Certificate for Payment

CERTIFICATE FOR PAYMENT NO. _____

MEADOW PARK PID

_____ (“Construction Manager”) hereby requests payment from the Improvement Area #1 Improvement Account of the Project Fund for the Actual Cost of the Improvement Area #1 Projects (the “Draw Actual Costs”) described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Indenture of Trust between Montgomery County, Texas (the “County”) and Regions Bank, an Alabama state banking corporation, dated as of January 15, 2025 (the “Indenture”). In connection with this Certificate for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the County as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this Certificate for Payment No. _____ on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
2. The work described in Attachment A has been completed in the percentages stated therein.
3. The true and correct Draw Actual Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted Certificate for Payment.
4. The amounts listed for Actual Cost of the Improvement Area #1 Projects, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Improvement Area #1 Projects, and such costs (i) are in compliance with the Development Agreement, and (ii) are consistent with the Service and Assessment Plan.
5. Following is an itemized list of all deposits to and disbursements from the Improvement Area #1 Improvement Account.

<u>Account</u>	<u>Deposits</u>	<u>Disbursements</u>
Improvement Area #1 Improvement Account	\$	\$ Certificate for Payment No. ____
	\$	\$ Certificate for Payment No. ____
Total	\$	\$

6. The Construction Manager is in compliance with the terms and provisions of the Service and Assessment Plan, the Development Agreement, (as defined in the Service and

Assessment Plan), and any continuing disclosure agreement related to the Bonds Similarly Secured.

7. The Construction Manager has timely paid all ad valorem taxes and annual installments of Improvement Area #1 Assessments it owes or an entity under common control with the Construction Manager owes, located in Improvement Area #1 and has no outstanding delinquencies for such taxes and assessments.
8. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.
9. The work with respect to the Improvement Area #1 Projects referenced below has been completed, and the County has inspected *[and accepted]* such improvements. ***[Include bracketed italicized language if final progress payment for such improvements]***
10. The Construction Manager agrees to cooperate with the County in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the County to complete said review.
11. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Attachment A has been paid in full for all work completed through the previous Certificate for Payment.
12. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the County to verify the Draw Actual Costs for which payment is requested.

[Signature page follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATE FOR PAYMENT

Date: _____

[Construction Manager Signature Block to be added]

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certificate for Payment solely for the purposes of certifying that the representations made by the Construction Manager in Paragraph 2 above and in Attachment A are true and correct in all material respects.

Project Engineer

APPROVAL BY THE COUNTY

The Draw Actual Costs described in Attachment A has been reviewed, verified and approved by the County Construction Representative. Payment of the Draw Actual Costs are hereby approved, and the County hereby directs and instructs the Trustee to disburse the amount of \$_____ in accordance with the Indenture.

MONTGOMERY COUNTY, TEXAS

By: _____

Date: _____

ATTACHMENT A TO CERTIFICATE FOR PAYMENT

<u>Improvement Area #1 Improvements</u>	<u>Description of Work Completed under this Certificate for Payment</u>	Total Actual Costs of Improvement Area #1 Projects
		<hr/> \$

ATTACHMENT B TO CERTIFICATE FOR PAYMENT

[attached — bills paid affidavit]

ATTACHMENT C TO CERTIFICATE FOR PAYMENT

INVOICE LEDGER

Invoice Ledger								
Entity: [_____]								
Project: Meadow Park Public Improvement District (Improvement Area #1)								
Certificate for Payment No. _____	Date	Vendor	Invoice #	Invoice Amount	Requested Amount	Approved Amount	Budget Sub-Category	Budget Description

[attached — invoices and/or receipts]

APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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Meadow Park Public Improvement District

AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

JANUARY 7, 2025



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

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INTRODUCTION

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

On April 12, 2022, the County passed and approved a Resolution authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon adoption as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 167.152 acres located within the County, as described by the legal description on **Exhibit K-1** and depicted on **Exhibit A-1**.

On July 23, 2024, the Commissioners Court approved the 2024 Service and Assessment Plan, which, among other things, included a Service Plan, an Assessment Plan, an Assessment Roll for Improvement Area #1 of the District, made a finding of the special benefit to the property within the District, levied Assessments against Assessed Property in Improvement Area #1 and established a lien on such property, and established a method of assessment and the payment of the Assessments in accordance with the Act.

On September 10, 2024, the Commissioners Court approved the 2024 Annual Service Plan Update, which updated the Assessment Roll for Improvement Area #1 by including the Improvement Area #1 Annual Installment due January 31, 2025 in the Improvement Area #1 Assessment Roll.

On January 7, 2025, the Commissioners Court approved Order No. xxx approving this 2025 Amended and Restated Service and Assessment Plan for the District by adopting the 2025 Assessment Order, which serves to amend and restate the 2024 Service and Assessment Plan, including all previously approved Annual Service Plan Updates (including the 2024 Annual Service Plan Update), in its entirety for the purposes of (1) incorporating provisions relating to the County’s issuance of the Improvement Area #1 Bonds and (2) updating the Assessment Rolls.

On January 7, 2025, the Commissioners Court adopted Order No. xx, which approved the issuance of the Improvement Area #1 Bonds.

The PID Act requires a Service Plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements and including a copy of the

notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV**.

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

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

SECTION I: DEFINITIONS

“2024 Annual Service Plan Update” means the Annual Service Plan Update approved by the Commissioners Court on September 10, 2024, which updated the Assessment Roll for Improvement Area #1 by including the Improvement Area #1 Annual Installment due January 31, 2025 in the Improvement Area #1 Assessment Roll.

“2024 Service and Assessment Plan” means the Meadow Park Public Improvement District Service and Assessment Plan approved by Commissioners Court on July 23, 2024 by an Assessment Order, as updated annually, and which is to be replaced in its entirety by this Amended and Restated Service and Assessment Plan.

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

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

“Additional Interest Rate” means the additional interest rate, not to exceed 0.50% that may be charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act.

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

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

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the County; (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 this Amended and Restated Service and Assessment Plan, the PID Act, and any Indenture with respect to the PID Bonds, including the County’s continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment on an Assessment as calculated by the Administrator and approved by the Commissioners Court, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

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

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

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

“Assessment Order” means an order adopted by the Commissioners Court in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

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

“Assessment Roll” means any assessment roll for the Assessed Property, including the Improvement Area #1 Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the levy of an Assessment, the issuance of PID Bonds, or in any Annual Service Plan Updates.

“Authorized Improvements” means the improvements authorized by Section 372.003 of the PID Act, as described in **Section III**, and as further depicted on **Exhibit G and Exhibit H**.

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

“Commissioners Court” means the governing body of the County.

“County” means Montgomery County, Texas.

“Delinquent Collection Costs” mean costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Amended and Restated 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 between the Owner and the County dated June 13, 2023.

“District” means the Meadow Park Public Improvement District containing approximately 167.152 acres, which at the time of the initial assessment levy will be within the corporate limits of the County, as described legally by metes and bounds on **Exhibit K-1** and as depicted by the map on **Exhibit A-1**.

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

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

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

“First Year Annual Collection Costs” means the Annual Collection Costs associated with the first year of the District.

“Improvement Area” means a specifically defined and designated area within the District that are developed in phases, including Improvement Area #1 and the Remainder Area.

“Improvement Area #1” means 44.457 acres located within the District, specifically described in **Exhibit K-2**, and depicted on **Exhibit A-2**.

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

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

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

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

“Improvement Area #1 Authorized Improvements” means Improvement Area #1 Projects, First Year Annual Collection Costs, and Bond Issuance Costs relating to the bonds funding Improvement Area #1 Projects if such bonds are issued.

“Improvement Area #1 Bonds” mean those certain “Montgomery County, Texas, Special Assessment Revenue Bonds, Series 2025 (Meadow Park Public Improvement District Improvement Area #1 Project)”, that are secured by Improvement Area #1 Assessments.

“Improvement Area #1 Improvements” means those certain Authorized Improvements that only benefit Improvement Area #1, as depicted on **Exhibit G**.

“Improvement Area #1 Landowner Consent” means the Landowner Consent Certificate[s], effective as of July 23, 2024 delivered by Meadow Park, LTD, Lennar Homes of Texas Land and Construction, LTD, and First America Homes, LTD, relating to the Improvement Area #1 Assessed Property.

“Improvement Area #1 Projects” means the Improvement Area #1 Improvements and Improvement Area #1’s allocable share of the Major Improvements.

“Improvement Area #1 Reimbursement Agreement” means that certain “Meadow Park Public Improvement District Agreement for the Construction and Funding of Authorized Improvements and Reimbursement of Advances” effective June 13, 2023 entered into by and between the County and Owner, whereby all or a portion of the Actual Costs as set forth herein will be paid to the Owner from Improvement Area #1 Assessments to reimburse the Owner for Actual Costs paid by the Owner, that are eligible to be paid with Improvement Area #1 Assessments plus interest.

“Improvement Area #1 Remainder Parcel” means all area in Improvement Area #1 save and except the Section 1 Final Plat. Until a plat has been recorded within the Improvement Area #1 Remainder Parcel, the Annual Installment will be billed to each Parcel within the Improvement Area #1 Remainder Parcel pro rata based on acreage as provided by the Montgomery Central Appraisal District for billing purposes only.

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

“Landowner Consent” means any “Landowner Consent Certificate”, effective as of the date of each Assessment levy delivered by each landowner of Assessed Property at the time of an Assessment levy.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g., lot size, home product, Estimated Buildout Value, etc.), as determined by the Administrator and confirmed by the Commissioners Court. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the

Lot as provided by the Owner, and confirmed by the Commissioners Court, as shown on **Exhibit E**.

“Lot Type 1” means a Lot within Improvement Area #1 marketed to homebuilders as a 40’ Lot. The buyer disclosure for Lot Type 1 is attached as **Appendix B**.

“Major Improvements” mean those certain Authorized Improvements that benefit the entire District, as depicted on **Exhibit H**.

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

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

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

“Owner” or “Owners” means Meadow Park, Ltd., Lennar Homes of Texas Land and Construction, Ltd, Fire America Homes, Ltd, and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

“Parcel” or “Parcel(s)” means a specific property within the District identified by either a tax parcel identification number assigned by the Montgomery Central Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means as determined by the County.

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

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

“Prepayment” means the payment of all or a portion of an Assessment before the due date of the final Annual Installment. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of Assessment are not to be considered a Prepayment, but rather are to be treated as a payment of the regularly scheduled Assessment.

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

“**Remainder Area**” means approximately 122.695 acres located within the District, as shown on **Exhibit A-3** and more specifically described in **Exhibit K-3**.

“**Section 1 Final Plat**” means the final plat of Meadow Park Section 1, as recorded in the real property records of the County as document number 2023098346 on October 16, 2023 and attached hereto as **Exhibit M**.

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

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

SECTION II: THE DISTRICT

The District includes approximately 167.152 contiguous acres located within the unincorporated area of the County, the boundaries of which are more particularly described on **Exhibit K-1**, and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 612 Lots developed with single-family homes and commercial.

Improvement Area #1 includes approximately 44.457 contiguous acres located within the unincorporated area of the County, the boundaries of which are more particularly described on **Exhibit K-2** and depicted on **Exhibit A-2**. Development of Improvement Area #1 is anticipated to include approximately 186 Lots developed with single-family homes (Lots classified as Lot Type 1.)

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Owner and its engineer and reviewed by the County staff and by third-party consultants retained by the County, the County has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with the County’s standards and specifications and will be operated and maintained by the homeowner’s association unless otherwise noted. The project costs for the Authorized Improvements is shown on **Exhibit B-1**.

A. Major Improvements

- *Detention*

Improvements include a detention pond located in the Future Improvement Area that include trench excavation and embedment, trench safety, reinforced concrete and high-density polyethylene piping, manholes, inlets, slopes, channels/swales to increase its

detention capacity and conveyance of storm water. The improvements will provide benefit to all lots within the District and include the necessary appurtenances to be fully operational to convey stormwater to the limits of the District. The drainage improvements will be designed and constructed in accordance with County standards and specifications and will be owned by the County and maintained by the homeowner's association.

- *Soft Costs*

Includes costs associated with forming the District, including, but not limited to, attorney fees, consultant fees, and any other cost or expense directly associated with the establishment of the District.

B. Improvement Area #1 Improvements

- *Streets*

Improvements including subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, and streetlights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements will provide street access to each lot and access to public roadways and state highways. The street improvements will be designed and constructed in accordance with County standards and specifications and will be owned and maintained by the County.

- *Drainage, Storm Sewer & Detention*

Improvements include trench excavation and embedment, trench safety, reinforced concrete and High-Density Polyethylene piping, manholes, inlets, channels/swales and ponds. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of Improvement Area #1. The drainage improvements will be designed and constructed in accordance with County standards and specifications and will be owned by the County. The facilities will be maintained and operated by the homeowner's association per the terms of the Development Agreement. The drainage improvements will also include connecting an outfall storm water structure to an existing detention pond for capacity and conveyance of stormwater.

- *Park and Amenities*

Improvements include green areas, landscaping, play areas, playground equipment, fields, pavilions, and parking. These improvements are for the public as well as this neighborhood. The final selection of the park improvements will be discussed and considered with County input. The park improvements will be maintained and operated by the homeowner's association per the terms of the Development Agreement.

- *Contingency*

Estimated potential cost fluctuations for Improvement Area #1 Improvements construction costs

- *Soft Costs*

Costs related to mobilization, setup, and project overhead for all equipment, designing, constructing, and installing the Improvement Area #1 Improvements including land

planning and design, County fees, inspection fees, engineering, Geotechnical, Storm Water Pollution Prevention Plan, material testing and survey.

C. Private Improvements

The cost of the following Private Improvements will be financed by the Owner and shall not be repaid with Assessment revenues or PID Bonds. Such Private Improvements include the following:

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, fire hydrant service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. The water improvements will be designed and constructed in accordance with Texas Commission on Environmental Quality (“TCEQ”) standards and specifications and will be owned and operated by a private entity.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, lift stations, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. The wastewater improvements will be designed and constructed in accordance with Texas Commission on Environmental Quality standards and specifications and will be owned and operated by a private entity.

- *Electricity*

Improvements include constructing overhead and underground electrical distribution facilities to and in the Improvement Area #1 and supply and install all primary facilities for the purpose of making electric distribution service available to the improvements and/or lots located in Improvement Area #1. The electrical improvements will be designed and constructed in accordance with Public Utility Commission standards and specifications and will be owned and operated by a private entity.

- *Contingency*

Estimated potential cost fluctuations for Private Improvements construction costs.

D. Bond Issuance Costs

- *Debt Service Reserve Fund*

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

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds, includes Underwriter's counsel fee.

- *Cost of Issuance*

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

E. Other Costs

- *Initial Administrative Fund Deposit*

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

SECTION IV: SERVICE PLAN

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

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update to show any budget revisions and the amount required to fund the required reserves and issue the PID Bonds at the time the PID Bonds are issued.

SECTION V: ASSESSMENT PLAN

The PID Act allows the Commissioners Court to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally

per front foot or square foot; (2) according to the value of property as determined by the Commissioners Court, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the Commissioners Court that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the Commissioners Court may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the County and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

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

The determination by the Commissioners Court of the assessment methodologies set forth below is the result of the discretionary exercise by the Commissioners Court of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners of the Assessed Property.

A. Assessment Methodology

Acting within its legislative authority and based on information provided by the Owner and its engineer and reviewed by the County staff and by third-party consultants retained by the County, the Commissioners Court has determined that the costs related to the Authorized Improvements shall be allocated as follows:

- The costs of the Improvement Area #1 Improvements, Bond Issuance Costs relating to the bonds funding Improvement Area #1 Projects and First Year Annual Collection Costs shall be allocated entirely to Improvement Area #1 Assessed Property.
- The cost of the Major Improvements shall be allocated between Improvement Area #1 and the Remainder Area pro rata based on Estimated Buildout Value as shown on **Exhibit B-2**.

B. Assessments

The costs of the Improvement Area #1 Projects shall be allocated to each Parcel within Improvement Area #1 based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property.

The Improvement Area #1 Assessment were levied on the Improvement Area #1 Assessed Property and the outstanding Improvement Area #1 Assessments are shown on the Improvement

Area #1 Assessment Roll, attached hereto as **Exhibit F-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit F-2**.

The Maximum Assessment for each Lot Type is shown on Exhibit E. In no case will the Assessment for Lots classified as Lot Type 1 exceed the corresponding Maximum Assessment for each Lot Type classification.

C. Findings of Special Benefit

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

- *Improvement Area #1*
 1. The costs of the Improvement Area #1 Authorized Improvements equal \$8,281,873 as shown on **Exhibit B-1**;
 2. The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #1 Authorized Improvements;
 3. The Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements in the 2024 Service and Assessment Plan, which equals \$7,391,721. As of October 1, 2024, the total outstanding Improvement Area #1 Assessment was \$7,391,721. At pricing of the Improvement Area #1 Bonds, the outstanding Improvement Area #1 Assessments will be reduced to the actual principal amount of the Improvement Area #1 Bonds, as shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F-1**;
 4. The special benefit (\geq \$8,281,73) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Authorized Improvements is equal to or greater than the amount of Improvement Area #1 Assessment (\$7,391,721) levied on the Improvement Area #1 Assessed Property for the Improvement Area #1 Authorized Improvements;
 5. At the time the Commissioners Court initially approved the 2024 Service and Assessment Plan, the Owner owned 100% of the Improvement Area #1 Assessed Property. The Owner acknowledged that the Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the

Commissioners Court as to the special benefits described herein and in the applicable Assessment Order, (2) the 2024 Service and Assessment Plan and the applicable Assessment Order, and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Assessed Property.

D. Annual Collection Costs

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

E. Additional Interest

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

SECTION VI: TERMS OF THE ASSESSMENTS

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

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

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

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

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

- A = the Assessment for the newly subdivided Lot
- B = the Assessment for the Parcel prior to subdivision
- C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type
- D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefited Property
- E = the number of newly subdivided Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the County an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the Commissioners Court based on Estimated Buildout Value information provided by the Owner, homebuilders, third party consultants, and/or the official Public Records of the County regarding the Lot.

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

3. Upon Consolidation

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

B. True-up of Assessments if Maximum Assessment Exceeded

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

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefited Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefitted Property shall pay to the County or the Administrator on behalf of the County the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the County, a homeowner association, any other governmental entity or utility provider for use as internal roads, utilities, parks, drainage and detention facilities, and other

similar Authorized Improvements, in which case the 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 Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

D. Reduction of Assessments

If the Actual Costs of completed Authorized Improvements are less than the Assessments, then (1) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Commissioners Court shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (2) in the event that PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds as directed by the County pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

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

E. Prepayment of Assessments

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

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the Commissioners Court for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed

Property; and (4) the County shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is included as **Exhibit J**.

If an Assessment on an Assessed Property is prepaid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to the extent of the Prepayment made on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the Commissioners Court for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made; and (4) the County shall provide the owner with a recordable "Notice of PID Assessment Termination", a form of which is included as **Exhibit J**.

F. Prepayment as a result of Eminent Domain Proceeding or Taking

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

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

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

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

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

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

G. Payment of Assessment in Annual Installments

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

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the Parcel not including any Non-Benefitted Property, as shown by the Montgomery Central Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the Commissioners Court for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and

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

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

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

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

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

H. Allocating Annual Installments if Assessed Property is Sold

If Assessed Property is sold, the Annual Installment shall be allocated between the buyer and seller in the same methodology as property taxes.

SECTION VII: ASSESSMENT ROLL

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

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Amended and Restated Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following Commissioners Court approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the Commissioners Court and the owner within 30 days of such referral. The Commissioners Court shall consider the owner's notice of error and the Administrator's response at a Commissioners Court meeting, and within 30 days after closing such meeting, the Commissioners Court shall make a final determination as to whether or not an error has been made. If the Commissioners Court determines that an error has been made, the Commissioners Court shall take such corrective action as is authorized by the PID Act, this Amended and Restated Service and Assessment Plan, the order issuing the Bonds, or the applicable Indenture, or is otherwise authorized by the discretionary power of the Commissioners Court. The determination by the Commissioners Court as to whether an error has been made, and any corrective action taken by the Commissioners Court, shall be final and binding on the owner and the Administrator.

B. Amendments

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

C. Administration and Interpretation

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

D. Severability

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

E. Form of Buyer Disclosure

Per Section 5.014 of the Texas Property Code, as amended, this Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B**. Within seven days of approval by the Commissioners Court, the County shall file and record in the real property records of the County the executed order of this Amended and Restated Service and Assessment Plan, or any future Annual Service Plan Updates. The executed order, including any attachments, approving this Amended and Restated Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

EXHIBITS

- Exhibit A-1** District Boundary Map
- Exhibit A-2** Improvement Area #1 Boundary Map
- Exhibit A-3** Remainder Area Boundary Map
- Exhibit B-1** Authorized Improvements
- Exhibit B-2** Major Improvements Apportionment of Costs
- Exhibit C** Service Plan
- Exhibit D** Sources and Uses
- Exhibit E** Maximum Assessment and Tax Rate Equivalent
- Exhibit F-1** Improvement Area #1 Assessment Roll
- Exhibit F-2** Improvement Area #1 Annual Installments
- Exhibit G** Maps of Improvement Area #1 Improvements
- Exhibit H** Maps of Major Improvements
- Exhibit I** Maps of Private Improvements
- Exhibit J** Notice of PID Assessment Termination
- Exhibit K-1** District Legal Description
- Exhibit K-2** Improvement Area #1 Legal Description
- Exhibit K-3** Remainder Area Legal Description
- Exhibit L** Improvement Area #1 Bonds Debt Service Schedule
- Exhibit M** Section 1 Final Plat

APPENDICES

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

Appendix A Improvement Area #1 Engineer's Report

Appendix B Buyer Disclosures

EXHIBIT A-1 – DISTRICT BOUNDARY MAP

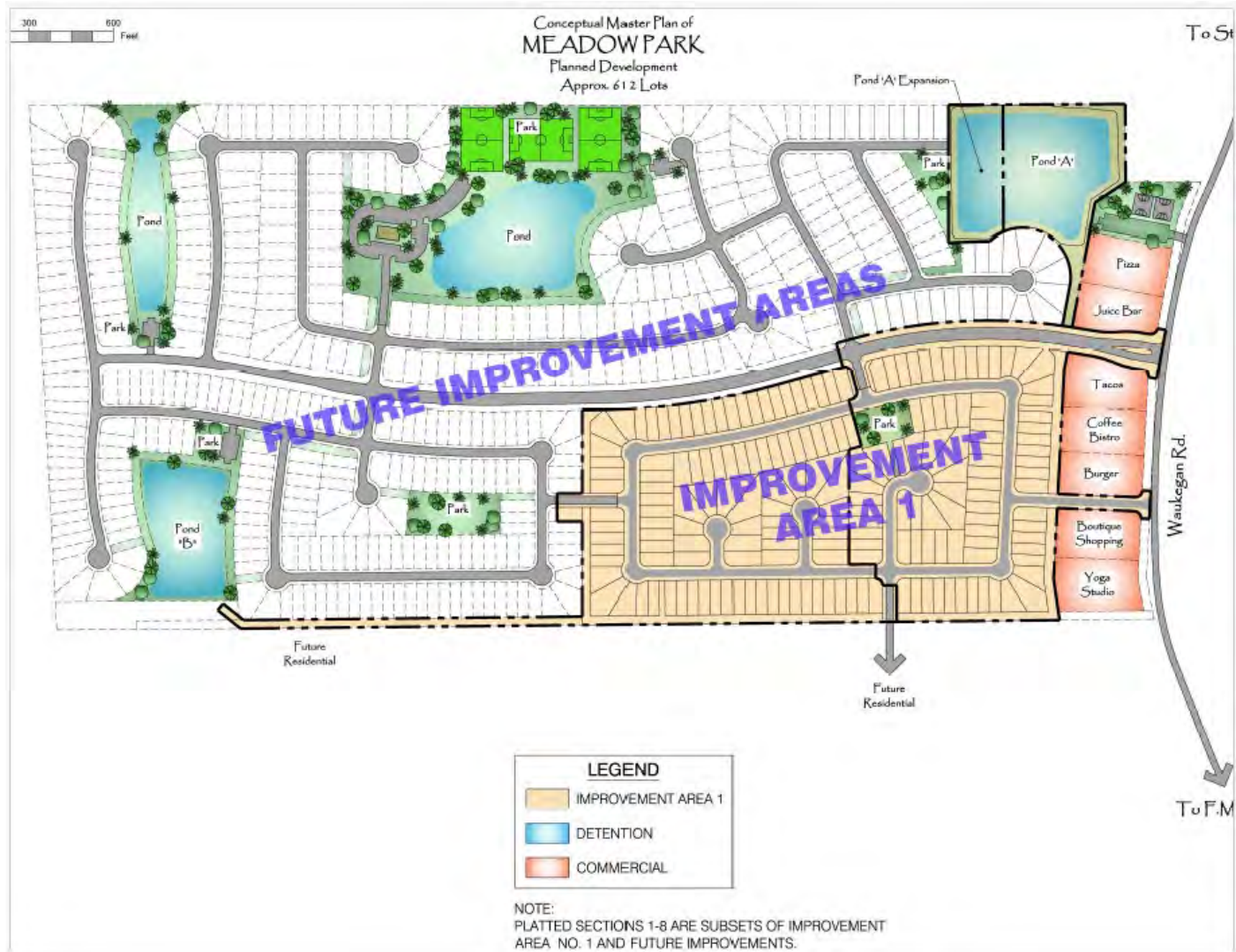


EXHIBIT A-2 – IMPROVEMENT AREA #1 BOUNDARY MAP



EXHIBIT A-3 – REMAINDER AREA BOUNDARY MAP

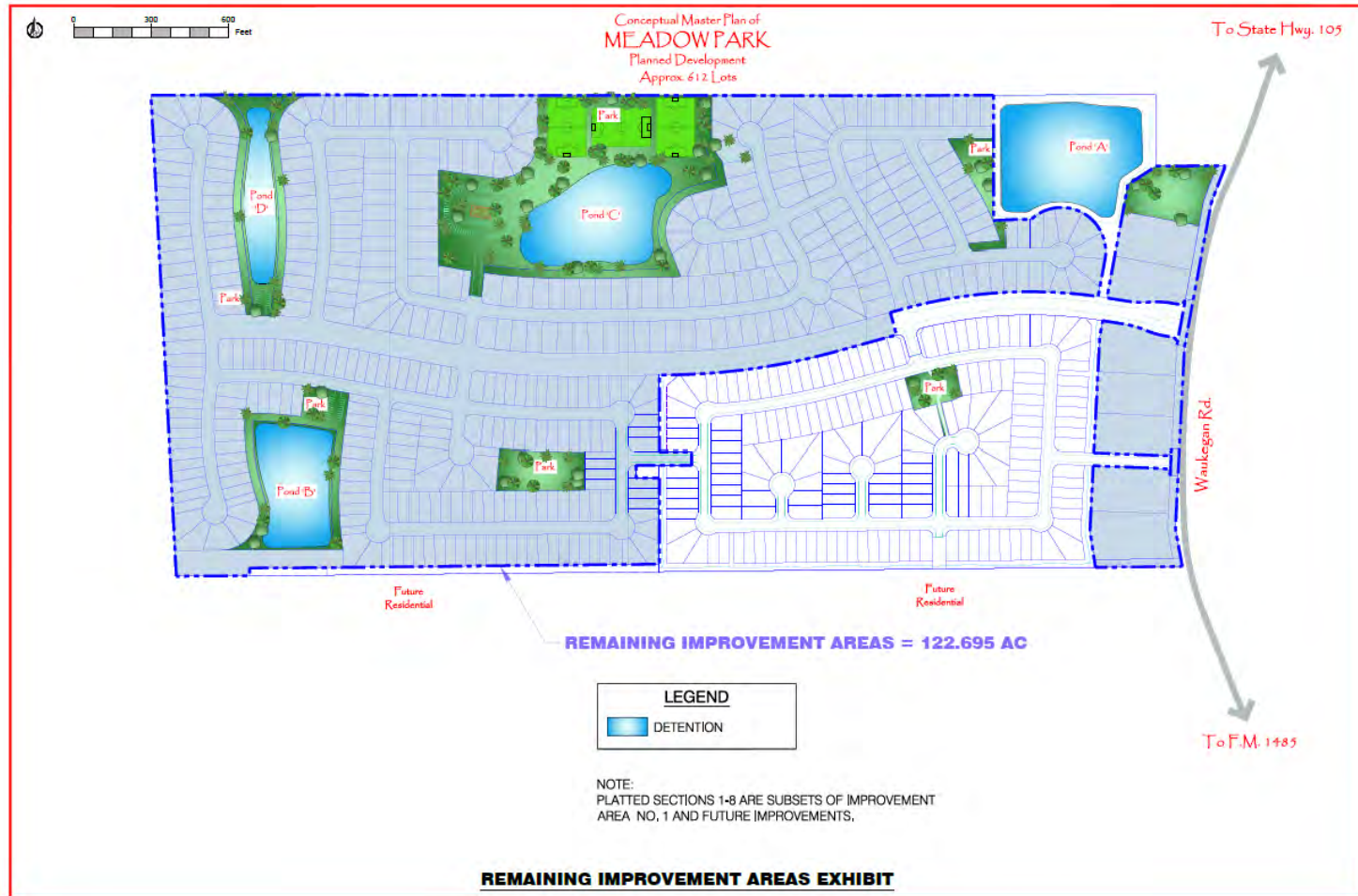


EXHIBIT B-1 – AUTHORIZED IMPROVEMENTS

	Total Costs ^[a]	Improvement Area #1		Remainder Area	
		%	\$	%	\$
<i>Improvement Area #1 Improvements</i>					
Streets	\$ 1,588,131	100.00%	\$ 1,588,131	0.00%	\$ -
Drainage, Storm Sewer & Detention	\$ 3,115,449	100.00%	3,115,449	0.00%	-
Park and Amenities	\$ 550,000	100.00%	550,000	0.00%	-
Contingency	\$ 631,128	100.00%	631,128	0.00%	-
Soft Costs ^[b]	\$ 552,304	100.00%	552,304	0.00%	-
	<u>\$ 6,437,012</u>		<u>\$ 6,437,012</u>		<u>\$ -</u>
<i>Major Improvements^[c]</i>					
Detention	\$ 500,000	24.92%	\$ 124,614	75.08%	\$ 375,386
Soft Costs ^[d]	150,000	24.92%	37,384	75.08%	112,616
	<u>\$ 650,000</u>		<u>\$ 161,998</u>		<u>\$ 488,002</u>
<i>Improvement Area #1 Private Improvements^{[e],[f]}</i>					
Wastewater	\$ 608,111	24.92%	\$ 151,558	75.08%	\$ 456,552
Water	548,060	24.92%	\$ 136,592	75.08%	\$ 411,468
Electricity	563,400	24.92%	\$ 140,415	75.08%	\$ 422,985
Contingency	171,417	24.92%	\$ 42,722	75.08%	\$ 128,695
	<u>\$ 1,890,987</u>		<u>\$ 471,287</u>		<u>\$ 1,419,700</u>
<i>Bond Issuance Costs</i>					
Debt Service Reserve Fund	\$ 526,635		\$ 526,635		\$ -
Underwriter Discount	214,980		214,980		-
Cost of Issuance	429,960		429,960		-
	<u>\$ 1,171,575</u>		<u>\$ 1,171,575</u>		<u>\$ -</u>
<i>Other Costs</i>					
Deposit to Administrative Fund	\$ 40,000		\$ 40,000		\$ -
	<u>\$ 40,000</u>		<u>\$ 40,000</u>		<u>\$ -</u>
Total	\$ 10,189,574		\$ 8,281,873		\$ 1,907,701

Footnotes:

[a] Costs were determined by the Engineer's Report attached hereto as **Appendix A**.

[b] Soft Costs include Land Planning, Design, City Fees, Inspection Fees, Engineering, Material Testing and Survey.

[c] Major Improvements are allocated to Improvement Area #1 and the Remainder Area based on Estimated Buildout Value.

[d] Soft Costs include District Formation Expenses.

[e] Private Improvements will be funded privately by the Owner or Developer and are non-reimbursable to Owner through PID Bonds or Assessments.

[f] Private Improvements are allocated to Improvement Area #1 and the Remainder Area based on Estimated Buildout Value.

EXHIBIT B-2 – MAJOR IMPROVEMENTS APPORTIONMENT OF COSTS

Improvement Area	Units/SF ^[a]	Estimated Buildout Value ^[a]	Major Improvements ^[b]		Total Apportionment for Future Funding
			%	Costs	
Improvement Area #1	186	\$ 46,500,000	24.92%	\$ 124,614	
Remainder Area	426	\$ 119,580,000	64.09%	\$ 320,459	\$ 320,459
Commercial	102,480	\$ 20,496,000	10.99%	\$ 54,927	\$ 54,927
Total		\$ 186,576,000	100.00%	\$ 500,000	

Footnotes:

[a] As reported by the Owner.

[b] The costs of the Major Improvements apportioned pro rata based on Estimated Buildout Value between Improvement Area #1 and the Remainder Area.

EXHIBIT C – SERVICE PLAN

		Improvement Area #1				
Annual Installment Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
<i>Improvement Area #1 Bonds</i>						
Principal		\$217,000	\$ 92,000	\$ 97,000	\$103,000	\$109,000
Interest		307,889	399,568	394,278	388,700	382,778
Additional Interest		-	34,745	34,285	33,800	33,285
	(1)	<u>\$524,889</u>	<u>\$526,313</u>	<u>\$525,563</u>	<u>\$525,500</u>	<u>\$525,063</u>
Cash Reimbursement to Developer ^[a]	(2)	\$ 972	\$ -	\$ -	\$ -	\$ -
Annual Collection Costs	(3)	\$ 40,000	\$ 40,800	\$ 41,616	\$ 42,448	\$ 43,297
Total Annual Installments	(4) = (1) + (2) + (3)	<u>\$565,861</u>	<u>\$567,113</u>	<u>\$567,179</u>	<u>\$567,948</u>	<u>\$568,360</u>

Footnotes:

[a] Cash reimbursement to the Developer for actual costs not funded with bond proceeds as cash reimbursement from surplus annual installment.

EXHIBIT D – SOURCES AND USES

	Improvement Area #1	Remainder Area
Sources of Funds		
Improvement Area #1 Bonds ^[a]	\$ 7,166,000	\$ -
Owner Contribution ^[b]	644,586	488,002
Owner Contribution - Private Improvements ^[c]	471,287	1,419,700
Total Sources of Funds	\$ 8,281,873	\$ 1,907,701
Uses of Funds		
Improvement Area #1 Improvements	\$ 6,437,012	\$ -
Major Improvements	161,998	488,002
Private Improvements ^[b]	471,287	1,419,700
	\$ 7,070,298	\$ 1,907,701
<i>Bond Issuance Costs</i>		
Debt Service Reserve Fund	\$ 526,635	\$ -
Underwriter Discount	214,980	-
Cost of Issuance	429,960	-
	\$ 1,171,575	\$ -
<i>Other Costs</i>		
Deposit to Administrative Fund	\$ 40,000	\$ -
	\$ 40,000	\$ -
Total Uses of Funds	\$ 8,281,873	\$ 1,907,701

Footnotes:

[a] As of October 1, 2024, the total outstanding Improvement Area #1 Assessment was \$7,391,721. At pricing of the Improvement Area #1 Bonds, the outstanding Improvement Area #1 Assessments will be reduced to the actual principal amount of the Improvement Area #1 Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement will be discharged and no longer due and owing.

[b] Non-reimbursable to the Owner through Assessments or PID Bonds.

[c] Private Improvements will be funded privately by the Owner and are not reimbursable to the Owner by PID Bonds or Assessments.

EXHIBIT E - MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units/SF ^[a]	Estimated Buildout Value ^[a]		Improvement Area #1 Assessment		Total Maximum Assessment		Average Annual Installment		Value to Lien Per Finished Lot Value	TRE
		Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total		
<i>Improvement Area #1</i>											
1	186	\$ 250,000	\$ 46,500,000	\$ 38,527	\$ 7,166,000	\$ 38,527	\$ 7,166,000	\$ 3,109	\$ 578,249	2.765	\$ 1.24
Total/Weighted Average	186		46,500,000		\$ 7,166,000		\$ 7,166,000		\$ 578,249	2.765	

Footnotes:

[a] Per the Developer on September 28, 2023.

[b] Per the October 1, 2024 Appraisal.

EXHIBIT F-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment ^{[a],[b],[c]}	Annual Installment Due 1/31/2025 ^{[a],[d]}
556172	Meadow Park Section 1, BLK 1, LOT 1	1	\$ 38,526.88	\$ 3,042.26
556173	Meadow Park Section 1, BLK 1, LOT 2	1	\$ 38,526.88	\$ 3,042.26
556174	Meadow Park Section 1, BLK 1, LOT 3	1	\$ 38,526.88	\$ 3,042.26
556175	Meadow Park Section 1, BLK 1, LOT 4	1	\$ 38,526.88	\$ 3,042.26
556176	Meadow Park Section 1, BLK 1, LOT 5	1	\$ 38,526.88	\$ 3,042.26
556177	Meadow Park Section 1, BLK 1, LOT 6	1	\$ 38,526.88	\$ 3,042.26
556178	Meadow Park Section 1, BLK 1, LOT 7	1	\$ 38,526.88	\$ 3,042.26
556179	Meadow Park Section 1, BLK 1, LOT 8	1	\$ 38,526.88	\$ 3,042.26
556180	Meadow Park Section 1, BLK 1, LOT 9	1	\$ 38,526.88	\$ 3,042.26
556181	Meadow Park Section 1, BLK 1, LOT 10	1	\$ 38,526.88	\$ 3,042.26
556182	Meadow Park Section 1, BLK 1, LOT 11	1	\$ 38,526.88	\$ 3,042.26
556183	Meadow Park Section 1, BLK 1, LOT 12	1	\$ 38,526.88	\$ 3,042.26
556184	Meadow Park Section 1, BLK 1, LOT 13	1	\$ 38,526.88	\$ 3,042.26
556185	Meadow Park Section 1, BLK 1, LOT 14	1	\$ 38,526.88	\$ 3,042.26
556186	Meadow Park Section 1, BLK 1, LOT 15	1	\$ 38,526.88	\$ 3,042.26
556187	Meadow Park Section 1, BLK 1, LOT 16	1	\$ 38,526.88	\$ 3,042.26
556188	Meadow Park Section 1, BLK 1, LOT 17	1	\$ 38,526.88	\$ 3,042.26
556189	Meadow Park Section 1, BLK 2, LOT 1	1	\$ 38,526.88	\$ 3,042.26
556190	Meadow Park Section 1, BLK 2, LOT 2	1	\$ 38,526.88	\$ 3,042.26
556191	Meadow Park Section 1, BLK 2, LOT 3	1	\$ 38,526.88	\$ 3,042.26
556192	Meadow Park Section 1, BLK 2, LOT 4	1	\$ 38,526.88	\$ 3,042.26
556193	Meadow Park Section 1, BLK 2, LOT 5	1	\$ 38,526.88	\$ 3,042.26
556194	Meadow Park Section 1, BLK 2, LOT 6	1	\$ 38,526.88	\$ 3,042.26
556195	Meadow Park Section 1, BLK 2, LOT 7	1	\$ 38,526.88	\$ 3,042.26
556196	Meadow Park Section 1, BLK 2, LOT 8	1	\$ 38,526.88	\$ 3,042.26
556197	Meadow Park Section 1, BLK 2, LOT 9	1	\$ 38,526.88	\$ 3,042.26
556198	Meadow Park Section 1, BLK 2, LOT 10	1	\$ 38,526.88	\$ 3,042.26
556199	Meadow Park Section 1, BLK 2, LOT 11	1	\$ 38,526.88	\$ 3,042.26
556200	Meadow Park Section 1, BLK 2, LOT 12	1	\$ 38,526.88	\$ 3,042.26
556201	Meadow Park Section 1, BLK 2, LOT 13	1	\$ 38,526.88	\$ 3,042.26
556202	Meadow Park Section 1, BLK 2, LOT 14	1	\$ 38,526.88	\$ 3,042.26
556203	Meadow Park Section 1, BLK 2, LOT 15	1	\$ 38,526.88	\$ 3,042.26
556204	Meadow Park Section 1, BLK 2, LOT 16	1	\$ 38,526.88	\$ 3,042.26
556205	Meadow Park Section 1, BLK 2, LOT 17	1	\$ 38,526.88	\$ 3,042.26
556206	Meadow Park Section 1, BLK 2, LOT 18	1	\$ 38,526.88	\$ 3,042.26
556207	Meadow Park Section 1, BLK 2, LOT 19	1	\$ 38,526.88	\$ 3,042.26
556208	Meadow Park Section 1, BLK 2, LOT 20	1	\$ 38,526.88	\$ 3,042.26
556209	Meadow Park Section 1, BLK 2, LOT 21	1	\$ 38,526.88	\$ 3,042.26
556210	Meadow Park Section 1, BLK 2, LOT 22	1	\$ 38,526.88	\$ 3,042.26
556211	Meadow Park Section 1, BLK 2, LOT 23	1	\$ 38,526.88	\$ 3,042.26

Property ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment ^{[a],[b],[c]}	Annual Installment Due 1/31/2025 ^{[a],[d]}
556212	Meadow Park Section 1, BLK 2, LOT 24	1	\$ 38,526.88	\$ 3,042.26
556213	Meadow Park Section 1, BLK 2, LOT 25	1	\$ 38,526.88	\$ 3,042.26
556214	Meadow Park Section 1, BLK 2, LOT 26	1	\$ 38,526.88	\$ 3,042.26
556215	Meadow Park Section 1, BLK 2, LOT 27	1	\$ 38,526.88	\$ 3,042.26
556216	Meadow Park Section 1, BLK 2, LOT 28	1	\$ 38,526.88	\$ 3,042.26
556217	Meadow Park Section 1, BLK 2, LOT 29	1	\$ 38,526.88	\$ 3,042.26
556218	Meadow Park Section 1, BLK 2, LOT 30	1	\$ 38,526.88	\$ 3,042.26
556219	Meadow Park Section 1, BLK 2, LOT 31	1	\$ 38,526.88	\$ 3,042.26
556220	Meadow Park Section 1, BLK 2, LOT 32	1	\$ 38,526.88	\$ 3,042.26
556221	Meadow Park Section 1, BLK 2, LOT 33	1	\$ 38,526.88	\$ 3,042.26
556222	Meadow Park Section 1, BLK 2, LOT 34	1	\$ 38,526.88	\$ 3,042.26
556223	Meadow Park Section 1, BLK 2, LOT 35	1	\$ 38,526.88	\$ 3,042.26
556224	Meadow Park Section 1, BLK 2, LOT 36	1	\$ 38,526.88	\$ 3,042.26
556225	Meadow Park Section 1, BLK 2, LOT 37	1	\$ 38,526.88	\$ 3,042.26
556226	Meadow Park Section 1, BLK 2, LOT 38	1	\$ 38,526.88	\$ 3,042.26
556227	Meadow Park Section 1, BLK 2, LOT 39	1	\$ 38,526.88	\$ 3,042.26
556228	Meadow Park Section 1, BLK 2, LOT 40	1	\$ 38,526.88	\$ 3,042.26
556229	Meadow Park Section 1, BLK 2, LOT 41	1	\$ 38,526.88	\$ 3,042.26
556230	Meadow Park Section 1, BLK 2, LOT 42	1	\$ 38,526.88	\$ 3,042.26
556231	Meadow Park Section 1, BLK 2, LOT 43	1	\$ 38,526.88	\$ 3,042.26
556232	Meadow Park Section 1, BLK 3, LOT 1	1	\$ 38,526.88	\$ 3,042.26
556233	Meadow Park Section 1, BLK 3, LOT 2	1	\$ 38,526.88	\$ 3,042.26
556234	Meadow Park Section 1, BLK 3, LOT 3	1	\$ 38,526.88	\$ 3,042.26
556235	Meadow Park Section 1, BLK 3, LOT 4	1	\$ 38,526.88	\$ 3,042.26
556236	Meadow Park Section 1, BLK 3, LOT 5	1	\$ 38,526.88	\$ 3,042.26
556237	Meadow Park Section 1, BLK 3, LOT 6	1	\$ 38,526.88	\$ 3,042.26
556238	Meadow Park Section 1, BLK 3, LOT 7	1	\$ 38,526.88	\$ 3,042.26
556239	Meadow Park Section 1, BLK 3, LOT 8	1	\$ 38,526.88	\$ 3,042.26
556240	Meadow Park Section 1, BLK 3, LOT 9	1	\$ 38,526.88	\$ 3,042.26
556241	Meadow Park Section 1, BLK 3, LOT 10	1	\$ 38,526.88	\$ 3,042.26
556242	Meadow Park Section 1, BLK 3, LOT 11	1	\$ 38,526.88	\$ 3,042.26
556243	Meadow Park Section 1, BLK 3, LOT 12	1	\$ 38,526.88	\$ 3,042.26
556244	Meadow Park Section 1, BLK 3, LOT 13	1	\$ 38,526.88	\$ 3,042.26
556245	Meadow Park Section 1, BLK 3, LOT 14	1	\$ 38,526.88	\$ 3,042.26
556246	Meadow Park Section 1, BLK 3, LOT 15	1	\$ 38,526.88	\$ 3,042.26
556247	Meadow Park Section 1, BLK 3, LOT 16	1	\$ 38,526.88	\$ 3,042.26
556248	Meadow Park Section 1, BLK 3, LOT 17	1	\$ 38,526.88	\$ 3,042.26
556249	Meadow Park Section 1, BLK 3, LOT 18	1	\$ 38,526.88	\$ 3,042.26
556250	Meadow Park Section 1, BLK 3, LOT 19	1	\$ 38,526.88	\$ 3,042.26
556251	Meadow Park Section 1, BLK 3, LOT 20	1	\$ 38,526.88	\$ 3,042.26

Property ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment ^{[a],[b],[c]}	Annual Installment Due 1/31/2025 ^{[a],[d]}
556252	Meadow Park Section 1, BLK 3, LOT 21	1	\$ 38,526.88	\$ 3,042.26
556253	Meadow Park Section 1, BLK 3, LOT 22	1	\$ 38,526.88	\$ 3,042.26
556254	Meadow Park Section 1, BLK 3, LOT 23	1	\$ 38,526.88	\$ 3,042.26
556255	Reserve A - Drainage	Non-Benefited	\$ -	\$ -
556256	Reserve B - Drainage	Non-Benefited	\$ -	\$ -
556257	Reserve C - Park and Open Space	Non-Benefited	\$ -	\$ -
556258	Reserve D - Open Space	Non-Benefited	\$ -	\$ -
37205	Remainder Parcel		\$ 3,968,268.82	\$ 313,353.13
Improvement Area #1 Total			\$ 7,165,999.86	\$ 565,860.71

Footnotes:

[a] Total may not match the Outstanding Assessment and Annual Installment due to rounding.

[b] Outstanding Assessment prior to 1/31/2025 Annual Installment.

[c] As of October 1, 2024, the total outstanding Improvement Area #1 Assessment was \$7,391,721. At pricing of the Improvement Area #1 Bonds, the outstanding Improvement Area #1 Assessments will be reduced to the actual principal amount of the Improvement Area #1 Bonds, as shown above.

[d] Includes cash reimbursement to the Developer for actual costs not funded with bond proceeds as cash reimbursement from surplus annual installment.

EXHIBIT F-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installment Due 1/31	Improvement Area #1 Bonds					Annual Collection Costs	Total Annual Installment Due ^[e]
	Principal ^[a]	Interest ^[b]	Additional Interest ^[c]	Cash Disbursement to Developer ^[d]	Reserve Fund		
2025	\$ 217,000	\$ 307,889	\$ -	\$ 972	\$ -	\$ 40,000	\$ 565,861
2026	\$ 92,000	\$ 399,568	\$ 34,745	\$ -	\$ -	\$ 40,800	\$ 567,113
2027	\$ 97,000	\$ 394,278	\$ 34,285	\$ -	\$ -	\$ 41,616	\$ 567,179
2028	\$ 103,000	\$ 388,700	\$ 33,800	\$ -	\$ -	\$ 42,448	\$ 567,948
2029	\$ 109,000	\$ 382,778	\$ 33,285	\$ -	\$ -	\$ 43,297	\$ 568,360
2030	\$ 116,000	\$ 376,510	\$ 32,740	\$ -	\$ -	\$ 44,163	\$ 569,413
2031	\$ 123,000	\$ 369,840	\$ 32,160	\$ -	\$ -	\$ 45,046	\$ 570,046
2032	\$ 130,000	\$ 362,768	\$ 31,545	\$ -	\$ -	\$ 45,947	\$ 570,260
2033	\$ 138,000	\$ 355,293	\$ 30,895	\$ -	\$ -	\$ 46,866	\$ 571,054
2034	\$ 147,000	\$ 347,358	\$ 30,205	\$ -	\$ -	\$ 47,804	\$ 572,367
2035	\$ 156,000	\$ 338,905	\$ 29,470	\$ -	\$ -	\$ 48,760	\$ 573,135
2036	\$ 165,000	\$ 329,935	\$ 28,690	\$ -	\$ -	\$ 49,735	\$ 573,360
2037	\$ 175,000	\$ 320,448	\$ 27,865	\$ -	\$ -	\$ 50,730	\$ 574,043
2038	\$ 186,000	\$ 310,385	\$ 26,990	\$ -	\$ -	\$ 51,744	\$ 575,119
2039	\$ 198,000	\$ 299,690	\$ 26,060	\$ -	\$ -	\$ 52,779	\$ 576,529
2040	\$ 210,000	\$ 288,305	\$ 25,070	\$ -	\$ -	\$ 53,835	\$ 577,210
2041	\$ 223,000	\$ 276,230	\$ 24,020	\$ -	\$ -	\$ 54,911	\$ 578,161
2042	\$ 237,000	\$ 263,408	\$ 22,905	\$ -	\$ -	\$ 56,010	\$ 579,323
2043	\$ 252,000	\$ 249,780	\$ 21,720	\$ -	\$ -	\$ 57,130	\$ 580,630
2044	\$ 268,000	\$ 235,290	\$ 20,460	\$ -	\$ -	\$ 58,272	\$ 582,022
2045	\$ 285,000	\$ 219,880	\$ 19,120	\$ -	\$ -	\$ 59,438	\$ 583,438
2046	\$ 303,000	\$ 203,493	\$ 17,695	\$ -	\$ -	\$ 60,627	\$ 584,815
2047	\$ 321,000	\$ 186,070	\$ 16,180	\$ -	\$ -	\$ 61,839	\$ 585,089
2048	\$ 343,000	\$ 167,613	\$ 14,575	\$ -	\$ -	\$ 63,076	\$ 588,264
2049	\$ 365,000	\$ 147,890	\$ 12,860	\$ -	\$ -	\$ 64,337	\$ 590,087
2050	\$ 388,000	\$ 126,903	\$ 11,035	\$ -	\$ -	\$ 65,624	\$ 591,562
2051	\$ 413,000	\$ 104,593	\$ 9,095	\$ -	\$ -	\$ 66,937	\$ 593,625
2052	\$ 440,000	\$ 80,845	\$ 7,030	\$ -	\$ -	\$ 68,275	\$ 596,150
2053	\$ 468,000	\$ 55,545	\$ 4,830	\$ -	\$ -	\$ 69,641	\$ 598,016
2054	\$ 498,000	\$ 28,635	\$ 2,490	\$ -	\$ (526,635)	\$ 71,034	\$ 73,524
Total	\$ 7,166,000	\$7,918,825	\$ 661,820	\$ 972	\$ (526,635)	\$1,622,723	\$ 16,843,705

Footnotes:

[a] As of October 1, 2024, the total outstanding Improvement Area #1 Assessment was \$7,391,721. At pricing of the Improvement Area #1 Bonds, the outstanding Improvement Area #1 Assessments will be reduced to the actual principal amount of the Improvement Area #1 Bonds, as shown above.

[b] Interest on the Series 2024 PID Bonds is calculated at a rate of 5.75% for illustrative purposes.

[c] Additional Interest is calculated at the Additional Interest Rate.

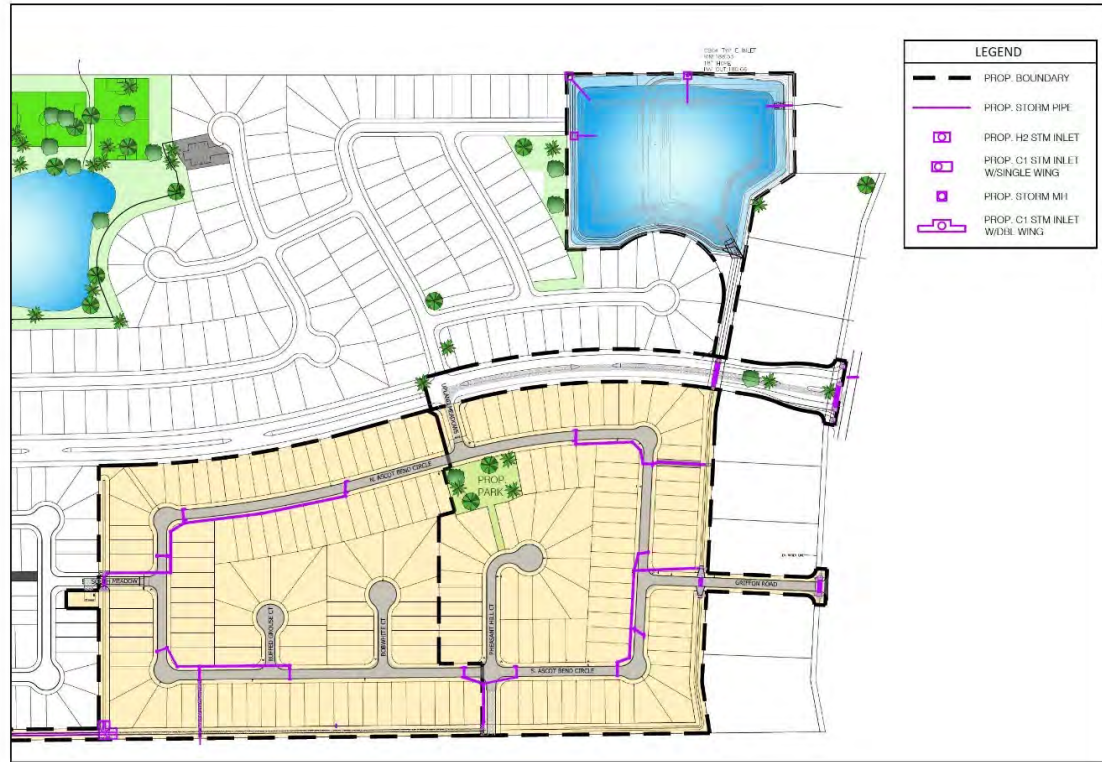
[d] Cash reimbursement to the Developer for actual costs not funded with bond proceeds as cash reimbursement from surplus annual installment.

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

EXHIBIT G – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS



Appendix 4B: IMPROVEMENT AREA 1 MAP: PROPOSED STORM SEWER



Appendix 4E: IMPROVEMENT AREA 1 MAP: PROPOSED PARK



EXHIBIT H – MAP OF MAJOR IMPROVEMENTS



IMPROVEMENT AREA 1 DETENTION SUMMARY

AREA	NAME	20 ACRES	CU.	FT ³	SEC
1	POND A1 (SEC. 1)	181,646 Sq. Ft.	34,240 Cu. Yd.	4,298 Cu. Yd.	29,942 Cu. Yd. <CUD>
1	POND A2 (SEC. 2)	97,967 Sq. Ft.	19,643 Cu. Yd.	108 Cu. Yd.	19,535 Cu. Yd. <CUD>
1	POND B (SEC. 2)	120,458 Sq. Ft.	22,889 Cu. Yd.	2,409 Cu. Yd.	20,480 Cu. Yd. <CUD>

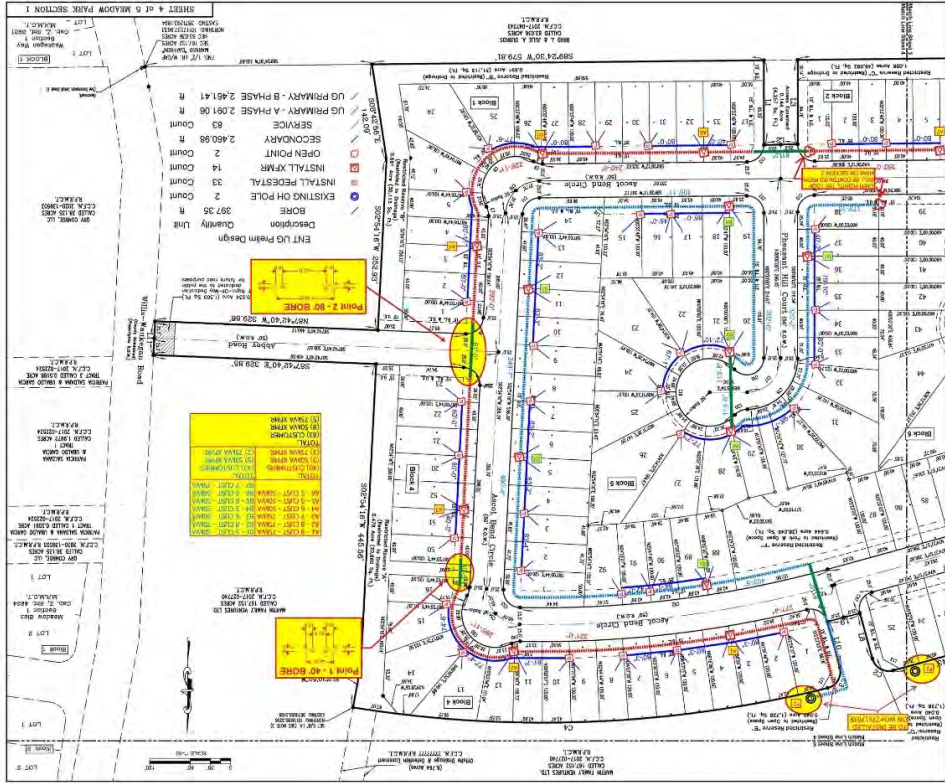
NOTE: CUT/FILL CALCULATIONS ON THIS SHEET ARE PRELIMINARY AND ARE NOT INTENDED FOR BID QUANTITIES. CONTRACTOR SHALL BE RESPONSIBLE FOR EARTHWORK CALCULATIONS FOR BIDDING PURPOSES.

IMPROVEMENT AREA 1 QUANTITIES

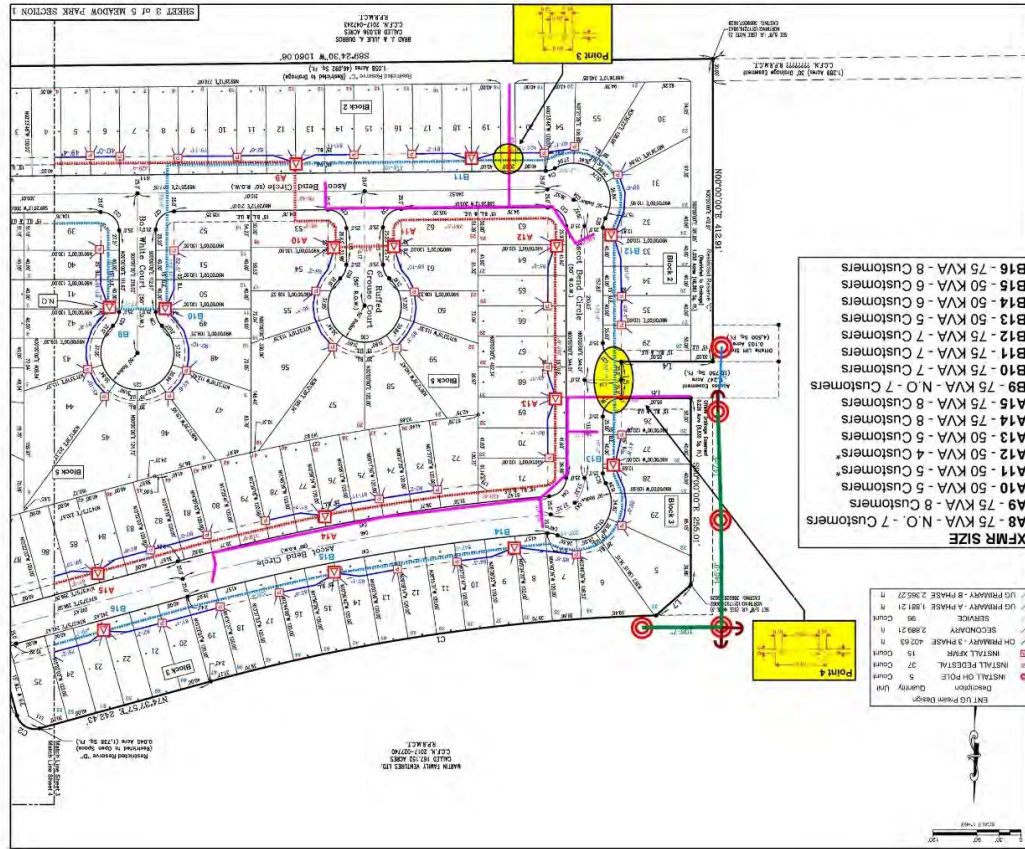
	SECTION 1		SECTION 2	
	LENGTH	AREA	LENGTH	AREA
STREETS	3,203 LF	8,818 SY	2,670 LF	8,578 SY
PARK		2.03 AC		
PARKING		1,786 SY		
ACCESS EASEMENTS	1,690 LF	3,405 SY		
DRAINAGE EASEMENTS	1,995 LF	2,588 SY	1,832 LF	1,988 SY
DETENTION EASEMENT		0.94 AC		0.66 AC
COMMERCIAL		8.23 AC		

EXHIBIT I – MAPS OF PRIVATE IMPROVEMENTS

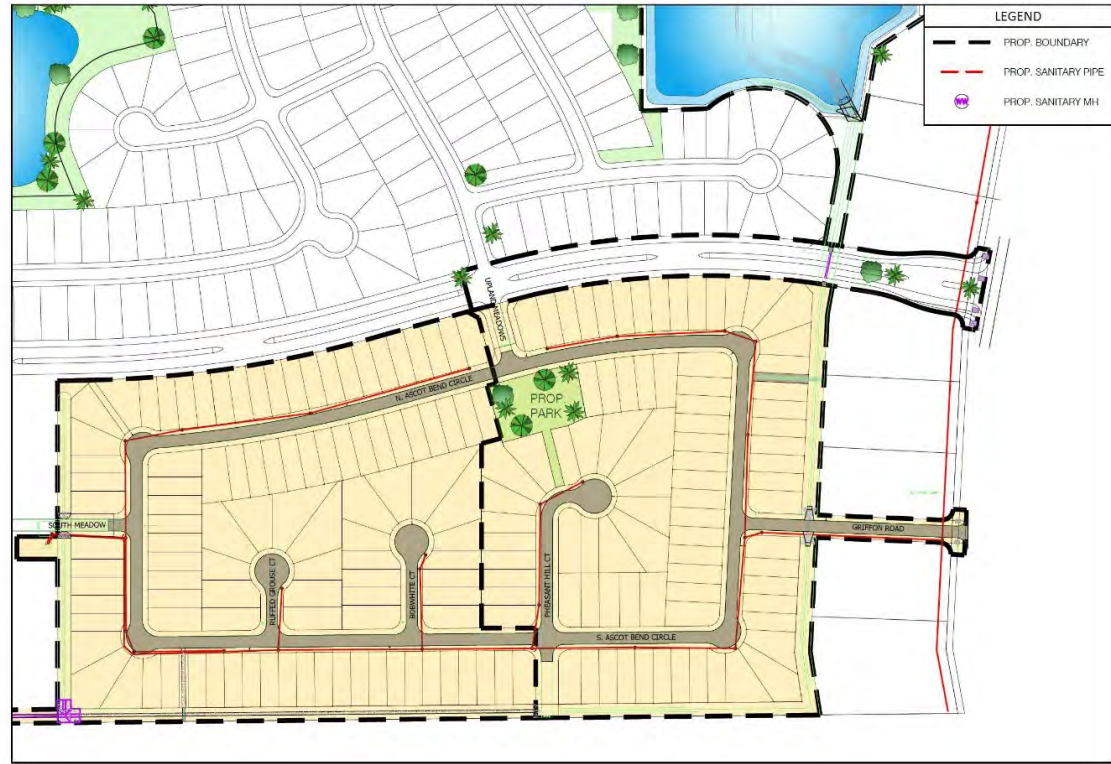
Appendix 4G: IMPROVEMENT AREA 1 MAP, SECTION 1:
PROPOSED ELECTRICAL LAYOUT



Appendix 4G: IMPROVEMENT AREA 1 MAP, SECTION 2:
PROPOSED ELECTRICAL LAYOUT



Appendix 4D: IMPROVEMENT AREA 1 MAP: PROPOSED SANITARY SEWER



Appendix 4C: IMPROVEMENT AREA 1 MAP: PROPOSED WATER



EXHIBIT J – NOTICE OF PID ASSESSMENT TERMINATION



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

[Date]
Montgomery County Clerk's Office
Honorable [County Clerk Name]
210 W. Davis St., #100
Conroe, Texas 77301

Re: Montgomery County Lien Release documents for filing

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

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

Montgomery County
Attn: [County Clerk]
210 W. Davis St., #100
Conroe, Texas 77301

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

Sincerely,
[Signature]

P3Works, LLC
P: (817)393-0353
admin@p3-works.com

AFTER RECORDING RETURN TO:

[County Clerk Name]
[County Clerk Address]
[County Clerk Address]

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

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

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

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

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "Commissioners Court") of the County of Montgomery, Texas (hereinafter referred to as the "County "), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the County; and

WHEREAS, on or about April 12, 2022, the Commissioners Court for the County, approved a Resolution, creating the Meadow Park Public Improvement District; and

WHEREAS, the Meadow Park Public Improvement District consists of approximately 167.152 contiguous acres located within the corporate limits of the County; and

WHEREAS, on or about July 23, 2024, the Commissioners Court, approved an Order, (hereinafter referred to as the "Assessment Order") approving a service and assessment plan and assessment roll for the Property within the Meadow Park Public Improvement District; and

WHEREAS, the Assessment Order imposed an assessment in the amount of \$_____ (hereinafter referred to as the "Lien Amount") for the following property:

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

WHEREAS, the property owners of the Property have paid unto the County the Lien Amount.

RELEASE

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

EXECUTED to be **EFFECTIVE** this the ____ day of _____, 20__.

COUNTY OF MONTGOMERY, TEXAS,

By: _____
[County Judge Name], County Judge

ATTEST:

[County Clerk Name], County Clerk

STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the ____ day of _____, ____, by [County Judge], for the County of Montgomery, Texas, on behalf of said county.

Notary Public, State of Texas

EXHIBIT K-1 – DISTRICT LEGAL DESCRIPTION

Appendix 4H: EXHIBIT "A" LEGAL DESCRIPTION OF PARENT TRACT

BEING 167.152 ACRES OF LAND IN THE WILLIAM B. BRIDGES SURVEY, A-73, MONTGOMERY COUNTY, TEXAS, SAID 167.152 ACRES BEING COMPRISED OF FOUR SEPARATE TRACTS DESCRIBED IN INSTRUMENTS TO CODY BIRDWELL, BEING THAT CERTAIN 59.59 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 8906424, THAT CERTAIN 42.295 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 8906426, THAT CERTAIN 42.295 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 8906425, AND THAT CERTAIN 25.00 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 9137246, ALL OF THE MONTGOMERY COUNTY REAL PROPERTY RECORDS, (M.C.R.P.R.), SAID 167.152 ACRE BEING DESCRIBED MORE PARTICULARLY AS FOLLOWS:

BEGINNING at a 1/2" inch iron rod with "Daffron" cap found in the West right-of-way of Waukegan Road, a county maintained right-of-way, for the Northeast corner of that certain 165.315 acre tract described in instrument to Drillmeec, Inc., recorded under County Clerk's File Number 2014116952, of the Montgomery County Official Public Records, (M.C.O.P.R.), being the Southeast corner of second mentioned said 42.295 acre tract, and the herein described 167.152 acre tract;

THENCE South $89^{\circ}24'30''$ West, 3311.88 feet, with the South line of said second mentioned 42.295 acre tract, and said 59.59 acre tract, the North line of said 165.315 acre tract, to a 1/2" iron rod found for the Southwest corner of said 59.59 acre tract, the Southeast corner of said 25.00 acre tract, and being an angle point in the South line of the herein described 167.152 acre tract;

THENCE South $89^{\circ}37'50''$ West, 584.71 feet, with the South line of said 25.00 acre tract, the North line of said 165.315 acre tract, to a 2" iron pipe found in the East line of that certain 335.9702 acre tract described as Tract I, in instrument to D.P.S.F.L.P., recorded under County Clerk's File Number 2011051036, M.C.O.P.R., for the Northwest corner of said 165.315 acre tract, being the Southwest corner of said 25.00 acre tract and the herein described 167.152 acre tract;

THENCE North $03^{\circ}01'23''$ west, with the West line of said 25.00 acre tract, the east line of said 335.9702 acre tract, at 1323.65 feet pass a 4" by 4" concrete monument found for the Northeast corner of said 335.9702 acre tract, being the Southeast corner of that certain called 10.067 acre tract described as Tract I in instrument to Benjamin J. and Julie K. Rojas, recorded under County Clerk's File Number 2001-038077, M.C.O.P.R., at 1324.59 feet pass a 2" iron pipe found for reference, in all a total distance of 1861.77 feet, to a 2-1/4" iron pipe found for the Southwest corner of that certain called 20.00 acre tract described in instrument to Martin Glen Geiger and Jeanie Geiger, recorded under County Clerk's File Number 2013059768, M.C.O.P.R., being the Northwest corner of said 25.00 acre tract, and the herein described 167.152 acre tract;

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THENCE North $89^{\circ}53'34''$ East, 583.81 feet, with the North line of said 25.00 acre tract, the South line of said 20.00 acre tract, to a 1/2" iron rod found for the Northeast corner of said 25.00 acre tract, being the Northwest corner of said 59.59 acre tract, and being an angle point in the North line of the herein described 167.152 acre tract;

THENCE South $89^{\circ}49'37''$ East, 782.95 feet, with the North line of said 59.59 acre tract, the South line of said 20.00 acre tract to a 4" by 4" concrete monument found for the Southeast corner of said 20.00 acre tract, being the Southwest corner of the residual of that certain called 90.3 acre tract described in instruments to Don Wallace Page and Ellen Ann Page, Trustees of the Page Living Trust, Dated April 24, 1995, recorded under County Clerk's File Numbers 2006-011641 and 2006-011642, M.C.O.P.R., and being an angle point in the North line of the herein described 167.152 acre tract, from which a 1-1/2" Steel Stake found (bent) for reference bears South $57^{\circ}10'$ East, 0.44 feet;

THENCE South $89^{\circ}58'06''$ East, 1428.57 feet with the North line of said 59.59 acre tract, the North of first mentioned said 42.295 acre tract, the south line of the residual of said 90.3 acre tract, to an axle found for the Southeast corner of the residual of said 90.3 acre tract, being the Southwest corner of that certain called 26.142 acre tract described in instrument to Connie Jean Harris Nelson, et al, recorded under County Clerk's File Number 2017011214, M.C.O.P.R., and being an angle point in the North line of the herein described 167.152 acre tract;

THENCE North $89^{\circ}44'34''$ East, with the North line of said first mentioned 42.295 acre tract, the south line of said 26.142 acre tract and that certain called 3.539 acre tract described in instrument to Roy Robert Harris, Jr., recorded under County Clerk's File Number 2017011215, M.C.O.P.R., at 1011.98 feet pass a 1/2" iron rod with "Maddux" cap found for the Lower Southeast corner of said 26.142 acre tract, the Southwest corner of said 3.539, in all a total distance of 1097.02 feet to a 5/8" iron rod found for the Northwest corner of that certain called 2.0673 acre tract described in instrument to John Allen Robison and Susanne Agnes Robison, recorded under County Clerk's File Number 8643465, M.C.R.P.R., being the Northerly Northeast corner of the herein described 167.152 acre tract, from which a concrete monument found in the West right-of-way of said Waukegan Road for the Southeast corner of said 3.539 acre tract, being the Northeast corner of said 2.0673 acre tract bears North $89^{\circ}27'06''$ East, 389.88 feet;

THENCE South $00^{\circ}18'25''$ East, 278.08 feet, with the West line of said 2.0673 acre tract, to a 5/8" iron rod found for the Southwest corner of said 2.0673 acre tract, being an interior corner of the herein described 167.152 acre tract;

THENCE North $89^{\circ}41'21''$ East, 267.68 feet, with the South line of said 2.0673 acre tract, to a 5/8" iron rod found in the West right-of-way of said Waukegan Road, the East line of said first mentioned 42.295 acre tract, for the Southeast corner of said 2.0673 acre tract, being the Easterly Northeast corner of the herein described 167.152 acre tract;

THENCE South $20^{\circ}54'11''$ West, 152.37 feet, with the West right-of-way of said Waukegan Road, the East line of said first mentioned 42.295 acre tract, to a 1/2" iron rod with cap stamped "Jeff Moon RPLS 4639" set for an angle point;

THENCE South $10^{\circ}30'34''$ West, 568.35 feet, with the West right-of-way of said Waukegan Road, the East line of said first mentioned 42.295 acre tract, and said second mentioned 42.295 acre tract, to a 1/2" iron rod found for an angle point;

THENCE South $02^{\circ} 53' 59''$ West, 702.55 feet, with the West right-of-way of said Waukegan Road, the East line of said second mentioned 42.295 acre tract, to a 1/2" iron rod with cap stamped "Jeff Moon RPLS 4639" set for an angle point;

THENCE South $10^{\circ} 26' 45''$ East, 147.08 feet, with the West right-of-way of said Waukegan Road, the East line of said second mentioned 42.295 acre tract, to the POINT OF BEGINNING and containing in all 167.152 acre of land, more or less.

EXHIBIT K-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

Appendix 4I: LEGAL DESCRIPTION OF IMPROVEMENT AREA 1



EXHIBIT "A"
SEPTEMBER 22, 2023

BEING 44.457 ACRES OF LAND SITUATED IN THE WILLIAM B. BRIDGES SURVEY, ABSTRACT NUMBER 73 IN MONTGOMERY COUNTY, TEXAS; BEING OUT OF THAT CERTAIN 167.152 ACRE TRACT CONVEYED IN DEED TO MEADOW PARK, LTD., RECORDED UNDER COUNTY CLERK'S FILE NUMBER 2022-006980 OF THE REAL PROPERTY RECORDS OF MONTGOMERY COUNTY, TEXAS; SAID 44.457 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS WITH ALL BEARINGS REFERENCED TO THE TEXAS COORDINATE SYSTEM, CENTRAL ZONE (NAD83), ALL DISTANCES SHOWN ARE GROUND:

COMMENCING at a 1/2 inch iron rod with survey cap marked "Daffron", found for the Southeast corner of said 167.152 acre tract, being the Northeast corner of a called 1.000 acre tract conveyed in deed to Brad J. and Julie A. Dubros recorded under County Clerk's File Number 2017-047245 of the Real Property Records of Montgomery County, Texas, and being in the West right-of-way line of Waukegan Road, a county maintained right-of-way;

THENCE South 89°24'30" West, along the South line of said 167.152 acre tract and the North line of said 1.000 acre tract, a distance of 335.83 feet to a 5/8 inch iron rod with survey cap marked "Jeff Moon R.P.L.S. 4639", set for POINT OF BEGINNING and the Southeast corner of the herein described tract;

THENCE South 89°24'30" West, continuing along the above mentioned line, passing at a distance of 164.80 feet the Northwest corner of said 1.000 acre tract and the Westerly Northeast corner of a called 82.036 acre tract conveyed in deed to Martin Land Development, LLC., recorded under County Clerk's File Number 2022-082655 of the Real Property Records of Montgomery County, Texas, and continuing along the South line of said 167.152 acre tract and the North line of said 82.036 acre tract, in all, a total distance of 2,976.05 feet to a 1/2 inch iron rod, found for an angle point, being an angle point in the South line of said 167.152 acre tract and in the North line of said 82.036 acre tract;

THENCE South 89°37'50" West, continuing along the above mentioned line, passing at a distance of 255.04 feet a 5/8 inch iron rod with survey cap marked "Jeff Moon R.P.L.S. 4639", found for the Northeast corner of Restricted Reserve "E" of Forest Trace Court Section 1, a subdivision according to

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the map or plat thereof recorded in Cabinet Z, Sheet 7662 of the Map Records of Montgomery County, Texas, and continuing along said line, in all, a total distance of 301.11 feet to the Southwest corner of the herein described tract, from whence a 2 inch iron pipe, found for the Southwest corner of the herein described tract, being the Southwest corner of said 167.152 acre tract, being the Northwest corner of said 82.036 acre tract and the Northwest corner of said Restricted Reserve "E" bears South 89°37'50" West at 283.60 feet,

THENCE leaving the above mentioned line, over and across said 167.152 acre tract and being 30 feet North and parallel to the South line of said 167.152 acre tract the following courses and distances

1. North 00°22'10" West, a distance of 30.00 feet to the Northwest corner of the herein described tract
2. North 89°37'50" East, a distance of 301.05 feet to an angle point;
3. North 89°24'30" East, a distance of 1,286.43 feet to a point for corner;
4. North 00°00'00" East, a distance of 332.91 feet to a point for corner;
5. North 90°00'00" West, a distance of 90.00 feet to a point for corner;
6. North 00°00'00" East, a distance of 100.00 feet to a point for corner;
7. South 90°00'00" East, a distance of 90.00 feet to a point for corner;
8. North 00°00'00" East, a distance of 294.91 feet to a point for corner;
9. North 86°20'47" East, a distance of 11.71 feet to a point for the beginning of a curve to the left;
10. With said curve to left, having a radius of 2,540.00, an arc length of 681.28 feet, a delta of 15°22'04", a chord bearing of North 82°18'59" East and having a chord distance of 679.24 feet to a point for the end of said curve;
11. North 74°37'57" East, a distance of 232.43 feet to a point for corner;
12. North 15°22'03" East, a distance of 80.00 feet to a point for corner;
13. North 74°37'57" East, a distance of 64.07 feet to a point for the beginning of a curve to the right;
14. With said curve to right, having a radius of 1840.00, an arc length of 755.09 feet, a delta of 23°30'46", a chord bearing of North 86°23'20" East and having a chord distance of 749.81 feet to a point for the end of said curve;
15. North 10°30'50" East, a distance of 156.46 feet to a point for the beginning of a curve to the left;
16. With said curve to the left, having a radius of 170.00 feet, an arc length of 426.72 feet, a delta of 143°49'01", a chord bearing of North 61°23'49" West and a chord distance of 323.20 feet to a point of compound curvature;
17. With said curve to the left, having a radius of 2,130.00 feet, an arc length of 148.81 feet, a delta of 04°00'10", a chord bearing of South 88°08'47" West and a chord distance of 148.78 feet to a point for the upper Southwest corner of the herein described tract;
18. North 00°02'10" East, a distance of 486.23 feet to a point for the Northwest corner of the herein described tract, being in the North line of said 167.152 acre tract and being in the South line of a called 26.142 acre tract conveyed in deed to Connie Jean Harris Nelson, Kevin Groce Harris, Sabrina Kay Harris, Rhonda Elizabeth Harris and Reesa Lee Harris recorded under County Clerk's File Number 2018-032203 of the Real property Records of Montgomery County, Texas;

THENCE North 89°44'51" East, along the above mentioned line, a distance of 629.18 feet, to a 5/8 inch iron rod, found for the Northeast corner of the herein described tract, being the upper Northeast corner of said 167.152 acre tract, being the Northwest corner of a called 2.0673 acre tract conveyed in deed to Aaraab and Izyan LLC., " recorded under County Clerk's File Number 2022-019285 of the Real Property Records of Montgomery County, Texas, and being in the South line of a called 3.539 acre tract conveyed in deed to Roy Robert Harris, Jr., recorded under County Clerk's File Number 2017-011215 of the Real Property Records of Montgomery County, Texas;

THENCE South 00°20'14" East, leaving the above mentioned line and along the West line of said 2.0673 acre tract, a distance of 278.26 feet to a 5/8 inch iron rod, found for an angle point in the East line

of the herein described tract, being an interior corner of said 167.152 acre tract and being the Southwest corner of said 2.0673 acre tract;

THENCE leaving the above mentioned line, over and across said 167.152 acre tract the following courses and distances:

19. South 56°59'54" West, a distance of 130.33 feet to point for corner;
20. South 10°30'50" West, a distance of 456.45 feet to a point for corner;
21. With a curve to the right, having a radius of 1,840.00 feet, an arc length of 40.90 feet, a delta of 01°16'25", a chord bearing of South 80°07'39" East and a chord distance of 40.90 feet to a point for the end of said curve;
22. South 79°29'26" East, a distance of 288.84 feet to a point for a Northeasterly corner of the herein described tract, being in the East line of said 167.152 acre tract and being in the Westerly right-of-way line of said Willis-Waukegan Road;

THENCE South 10°30'34" West, along the above mentioned line, a distance of 80.00 feet to a point for a Southeasterly corner of the herein described tract;

THENCE leaving the above mentioned line, over and across said 167.152 acre tract the following courses and distances:

1. North 79°29'26" West, a distance of 288.84 feet to a point for the beginning of a curve to the left;
2. With a curve to the left, having a radius of 1,760.00 feet, an arc length of 40.91 feet, a delta of 01°19'54", a chord bearing of North 80°09'23" West and a chord distance of 40.91 feet to a point for corner;
3. South 10°30'50" West, a distance of 64.00 feet to a point for corner;
4. South 02°54'16" West, a distance of 445.56 feet to a point for corner;
5. South 87°42'40" East, a distance of 329.85 feet to a point for an Easterly corner of the herein described tract, being in the East line of said 167.152 acre tract and being in the West right-of-way line of said Waukegan Road;

THENCE South 02°53'59" East, along the above mentioned line, a distance of 50.00 feet to a point for corner;

THENCE leaving the above mentioned line, over and across said 167.152 acre tract the following courses and distances:

1. North 87°42'40" West, a distance of 329.86 feet to a point for corner;
2. South 02°54'16" West, a distance of 252.93 feet to an angle point;
3. South 08°42'56" East, a distance of 142.09 feet, back to the POINT OF BEGINNING and containing 44.457 acres of land.

Job. No: 84-B-09 (44.457 Acres (PID))

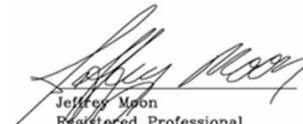

Jeffrey Moon
Registered Professional
Land Surveyor No. 4639



EXHIBIT K-3 – REMAINDER AREA LEGAL DESCRIPTION

Approximately 122.695 acres of land, consisting of all property within the District save and except all property within the Improvement Area #1.

EXHIBIT L – IMPROVEMENT AREA #1 BONDS DEBT SERVICE SCHEDULE

Preliminary, Subject to Change
For Discussion and Illustrative Purposes Only

Montgomery County, Texas
Special Assessment Revenue Bonds, Series 2024
(Meadow Park Public Improvement District Improvement Area #1 Project)

Estimated Net Annual Installments - Improvement Area #1 ¹

Maturity	Maximum Annual Installments ²	Principal	Interest Rate ³	Interest	Debt Service	Capitalized Interest ⁴	Debt Service Reserve Fund ⁵	Net Debt Service ⁶	Additional Interest ⁷	PID Admin Fee ⁸	Net IA #1 Annual Requirements ⁹	Remaining Annual Requirements ¹⁰
9/15/2025	\$ 565,861	\$ 217,000	5.750%	\$ 307,889	\$ 524,889	\$ -	\$ -	\$ 524,889	\$ -	\$ 40,000	\$ 564,889	\$ 972
9/15/2026	567,224	92,000	5.750%	399,568	491,568	-	-	491,568	34,745	40,800	567,113	112
9/15/2027	568,224	97,000	5.750%	394,278	491,278	-	-	491,278	34,285	41,616	567,179	1,045
9/15/2028	568,861	103,000	5.750%	388,700	491,700	-	-	491,700	33,800	42,448	567,948	912
9/15/2029	569,134	109,000	5.750%	382,778	491,778	-	-	491,778	33,285	43,297	568,360	775
9/15/2030	570,089	116,000	5.750%	376,510	492,510	-	-	492,510	32,740	44,163	569,413	676
9/15/2031	570,619	123,000	5.750%	369,840	492,840	-	-	492,840	32,160	45,046	570,046	573
9/15/2032	570,724	130,000	5.750%	362,768	492,768	-	-	492,768	31,545	45,947	570,260	464
9/15/2033	571,448	138,000	5.750%	355,293	493,293	-	-	493,293	30,895	46,866	571,054	394
9/15/2034	572,728	147,000	5.750%	347,358	494,358	-	-	494,358	30,205	47,804	572,366	362
9/15/2035	573,459	156,000	5.750%	338,905	494,905	-	-	494,905	29,470	48,760	573,135	324
9/15/2036	573,643	165,000	5.750%	329,935	494,935	-	-	494,935	28,690	49,735	573,360	283
9/15/2037	574,320	175,000	5.750%	320,448	495,448	-	-	495,448	27,865	50,730	574,042	278
9/15/2038	575,430	186,000	5.750%	310,385	496,385	-	-	496,385	26,990	51,744	575,119	310
9/15/2039	576,909	198,000	5.750%	299,690	497,690	-	-	497,690	26,060	52,779	576,529	380
9/15/2040	577,654	210,000	5.750%	288,305	498,305	-	-	498,305	25,070	53,835	577,210	445
9/15/2041	578,708	223,000	5.750%	276,230	499,230	-	-	499,230	24,020	54,911	578,161	546
9/15/2042	580,006	237,000	5.750%	263,408	500,408	-	-	500,408	22,905	56,010	579,322	684
9/15/2043	581,489	252,000	5.750%	249,780	501,780	-	-	501,780	21,720	57,130	580,630	859
9/15/2044	582,050	268,000	5.750%	235,290	503,290	-	-	503,290	20,460	58,272	582,022	1,028
9/15/2045	583,776	285,000	5.750%	219,880	504,880	-	-	504,880	19,120	59,438	583,438	1,338
9/15/2046	585,499	303,000	5.750%	203,493	506,493	-	-	506,493	17,695	60,627	584,814	1,685
9/15/2047	586,114	321,000	5.750%	186,070	507,070	-	-	507,070	16,180	61,839	585,089	2,025
9/15/2048	588,749	343,000	5.750%	167,613	510,613	-	-	510,613	14,575	63,076	588,263	2,486
9/15/2049	590,089	365,000	5.750%	147,890	512,890	-	-	512,890	12,860	64,337	590,087	3,022
9/15/2050	592,221	388,000	5.750%	126,903	514,903	-	-	514,903	11,035	65,624	591,562	3,659
9/15/2051	593,975	413,000	5.750%	104,593	517,593	-	-	517,593	9,095	66,937	593,624	4,351
9/15/2052	596,335	440,000	5.750%	80,845	520,845	-	-	520,845	7,030	68,275	596,150	5,184
9/15/2053	598,130	468,000	5.750%	55,545	523,545	-	-	523,545	4,830	69,641	598,016	6,114
9/15/2054	600,342	498,000	5.750%	28,635	526,635	-	526,635	-	2,490	71,034	600,159	7,184
TOTAL	\$ 17,383,814	\$ 7,166,000		\$ 7,918,819	\$ 15,084,819	\$ -	\$ 526,635	\$ 14,558,184	\$ 661,820	\$ 1,622,723	\$ 17,369,362	\$ 14,452

- Notes:**
1. Preliminary and subject to change. Subject to approval by the Issuer.
 2. Based on values provided in the 2024 Annual Service Plan Update dated September 10, 2024 and prepared by the PID Administrator.
 3. Rates are for discussion and illustration purposes only and are preliminary and subject to change.
 4. Assumes no capitalized interest.
 5. Sized to 100% of maximum annual debt service.
 6. Net of debt service reserve fund release at maturity.
 7. Assumes 0.50% of outstanding bond par.
 8. Assumes 2.0% annual escalation factor.
 9. Excludes release of debt service reserve fund at maturity.
 10. For modeling purposes only.

EXHIBIT M – SECTION 1 FINAL PLAT

THE STATE OF TEXAS,
COUNTY OF MONTGOMERY.

We, Meadow Park, LTD, a Texas limited partnership, sitting by and through Miss Marlin, President of Meadow Park Partners, LLC, its General Partner, the owners of the property subdivided in the above said foregoing map of Meadow Park Section 1, do hereby make subdivision of said property according to the lines, streets, lots, alleys, paths, building lines and easements thereon shown, and designate said subdivision as Meadow Park Section 1, located in William B. Bridges Survey, A-73, Montgomery County, Texas, and dedicate to public use, as such, the streets, alleys, paths, and easements shown thereon; and do hereby waive any claims for damages, compensation or the establishing of grades as approved for the streets and alleys dedicated, or occasioned by the alteration of the surface of any portion of streets or alleys to conform to such grades; and do hereby bind ourselves, our heirs and assigns to warrant and forever defend the title to the land so dedicated.

This is to certify that we, Meadow Park, LTD, a Texas limited partnership by its general partner Meadow Park Partners, LLC, its General Partner, owners of the property subdivided in the above said foregoing map of Meadow Park Section 1, have complied or will comply with all regulations heretofore on file with the Montgomery County Engineer and adopted by the Commissioners Court of Montgomery County, Texas.

FURTHER, we do hereby dedicate forever to the public a strip, a minimum of land fifteen (15) feet wide on each side of the center line of any one of public, private, drains, ditches, or other natural drainage courses located in the said subdivision, as easements for drainage purposes, giving Montgomery County and/or any other public agency the right to enter upon said easements at any and all times for the purpose of constructing and/or maintaining drainage work and/or structures.

FURTHER, all of the property subdivided in the above said foregoing map shall be restricted in its use, which restriction shall run with the title to the property and shall be enforceable at the option of Montgomery County by Montgomery County at any time deemed by its Council, as follows:

1. That drainage of septic tanks into road, street, alley, or other public ditches, either directly or indirectly, is hereby prohibited.
2. Drainage structures under private drainage shall have a first drainage coming from sufficient area to permit the free flow of water without backwater, and shall be a minimum of one and three quarters (1-3/4) square feet (15" diameter pipe is 2.1) feet.

FURTHER, we do hereby declare that all parcels of land designated as lots on this plat are originally intended for the construction of residential units thereof, and shall be restricted for the same under the terms and conditions of such restrictions filed separately, unless otherwise noted.

IN WITNESS WHEREOF, we, Meadow Park, LTD, a Texas limited partnership has caused these presents to be signed by Miss Marlin, President of Meadow Park Partners, LLC, its General Partner this 11 day of August, 2023.

By: Mark Marlin
Mark Marlin, President
Meadow Park Partners LLC, General Partner of
Meadow Park, LTD, a Texas limited partnership

STATE OF TEXAS,
COUNTY OF MONTGOMERY.

Before me, the undersigned authority, on this day personally appeared Mark W. Marlin, President of Meadow Park Partners, LLC, General Partner of Meadow Park, LTD, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed, and in the county therein and herein set out, and as the act and deed of said limited liability company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11 day of August, 2023.



Hannah Heathman
Hannah Heathman, Notary Public in and for the County of Montgomery, Texas
My Commission expires 6-17-26

We, Moody National Bank, N.A., owners and holders of a lien against the property described in the plat cover by Meadow Park Section 1, and the lien being evidenced by instrument of record under Clerk's File Number 2022-072336 & 2022-072731 of the Real Property Records of Montgomery County, Texas, do hereby in all things subordinate to said plat said lien, and we hereby confirm that we are the present owners of said lien and have not assigned the same nor do we intend to.

By: Michael Werner
Michael Werner, EUP
Title: EUP

STATE OF TEXAS,
COUNTY OF MONTGOMERY.

Before me, the undersigned authority, on this day personally appeared Michael Werner, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed, and in the county therein and herein set out, and as the act and deed of said bank.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 11 day of August, 2023.



Hannah Heathman
Hannah Heathman, Notary Public in and for the County of Montgomery, Texas
My Commission expires 6-17-26

MEADOW PARK SECTION 1

BEING A SUBDIVISION OF 15.937 ACRES OF LAND IN THE WILLIAM B. BRIDGES SURVEY, A-73 MONTGOMERY COUNTY, TEXAS.

CONTAINING: 83 RESIDENTIAL LOTS AND 4 RESTRICTED RESERVES (1.854 ACRES/80,767 SQ. FT.) IN 3 BLOCKS

JUNE 2023

OWNER/DEVELOPER
MEADOW PARK, LTD
BY ITS GENERAL PARTNER
MEADOW PARK PARTNERS, LLC
23449 HIGHWAY 59
PORTER, TEXAS 77355
PHONE: (281) 354-5141
EMAIL: mark@meadow.com

ENGINEER
MARTIN REALTY AND LAND, INC.
23449 HIGHWAY 59
PORTER, TEXAS 77355
PHONE: (281) 354-5141
EMAIL: tom@meadow.com

Restricted Reserve	Area	Square Footage	Subdivided Use
Restricted Reserve "A"	0.478 Acre	20,860 Sq. Ft.	Restricted to Drainage
Restricted Reserve "B"	0.681 Acre	29,710 Sq. Ft.	Restricted to Drainage
Restricted Reserve "C"	0.534 Acre	23,296 Sq. Ft.	Restricted to Use as Open Space
Restricted Reserve "D"	0.560 Acre	24,326 Sq. Ft.	Restricted to Open Space
TOTAL	1.854 Acre	80,767 Sq. Ft.	

This is to certify that the Town Council of the Town of Oak Grove has approved the plat and subdivision of Meadow Park Section 1 as shown hereon.

IN WITNESS WHEREOF, witness the official signatures of the Mayor and Secretary of the Town Council of the Town of Oak Grove, Texas, this 16 day of August, 2023.

By: Nyla Odious
Nyla Odious, Mayor

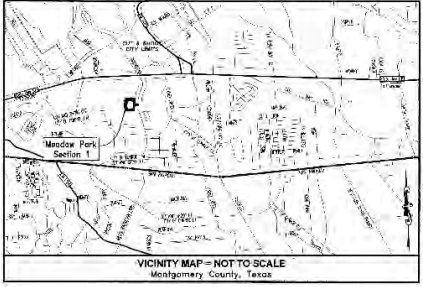
By: Amy Wade
Amy Wade, City Secretary



Surveyor's Certification

Jeffrey Moon, an registered under the laws of the State of Texas to practice the profession of Land Surveying and hereby certify that the above subdivision is true and correct, was prepared from an actual survey of the property made under my supervision on the ground; that the elevations and bearings reflected on the face of this plat were established as required by engineers; that all corners and angle points of the boundaries of the original tract to be subdivided of reference have been marked with iron or other suitable permanent metal pipe or rods having a diameter of not less than five-eighths of an inch (5/8") and a length of not less than three feet (3'), and that the plat boundary corners have been set to the nearest survey corner.

By: Jeffrey Moon
Jeffrey Moon, Professional
Land Surveyor No. 4834



VICINITY MAP - NOT TO SCALE
Montgomery County, Texas

I, Jeff Johnson, P.E., County Engineer of Montgomery County, Texas, do hereby certify that the plat of this subdivision complies with all of the existing rules and regulations of this office as posted by the Montgomery County Commissioners' Court.

I further certify that the plat of this subdivision complies with requirements for "limited" subdivision drainage as adopted by Commissioners' Court; however, no certification is hereby given as to the effect of drainage from this subdivision on the intercepting drainage artery or parent stream or on any other area of subsidence where the watershed.

Jeff Johnson
Jeff Johnson, P.E.
County Engineer
Montgomery County, Texas

APPROVED AND ACCEPTED BY the Commissioners Court of Montgomery County, Texas, this 10 day of October, 2023.

By: Kurt Wilk
Kurt Wilk
Robert C. McFar
Commissioner, Precinct 1

By: Chris Riley
Chris Riley
Charles Riley
Commissioner, Precinct 2

By: Mark Judson
Mark Judson
County Judge

By: Mark Gray
Mark Gray
Commissioner, Precinct 4

STAR OF TEXAS
COUNTY OF MONTGOMERY.

I, L. Brandon Steinhorn, Clerk of the County Court of Montgomery County, Texas, do hereby certify that the within instrument, with its certificate of authentication was filed for registration in my office.

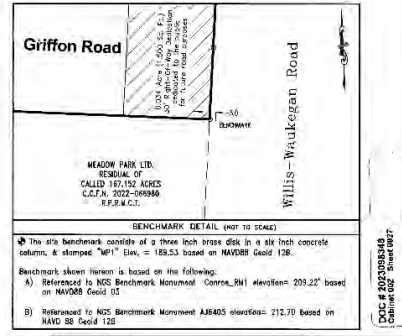
on October 10, 2023 at 12:24 o'clock A.M. and day recorded on October 13, 2023 at 11:52 o'clock A.M. in

Booklet 2, Sheet 9927-28 record of MAPS for said County.

WITNESS MY HAND AND SEAL OF OFFICE, at Dallas, Montgomery County, Texas, this day and date last written above.



L. Brandon Steinhorn
L. Brandon Steinhorn, Clerk, County Court
Montgomery County, Texas
at Shelby City Precinct



MEADOW PARK LTD.
RESUBDIV OF
CALLED 161.152 ACRES
C.C.F.N. 2022-09934
R.P.P. & C.T.

BENCHMARK DETAIL (NOT TO SCALE)

The site benchmark consists of a three inch brass disk in a six inch concrete column, a stamped "M1" Elev. = 189.53 based on NAVD83 Geoid 128.

Benchmark shown hereon is based on the following:

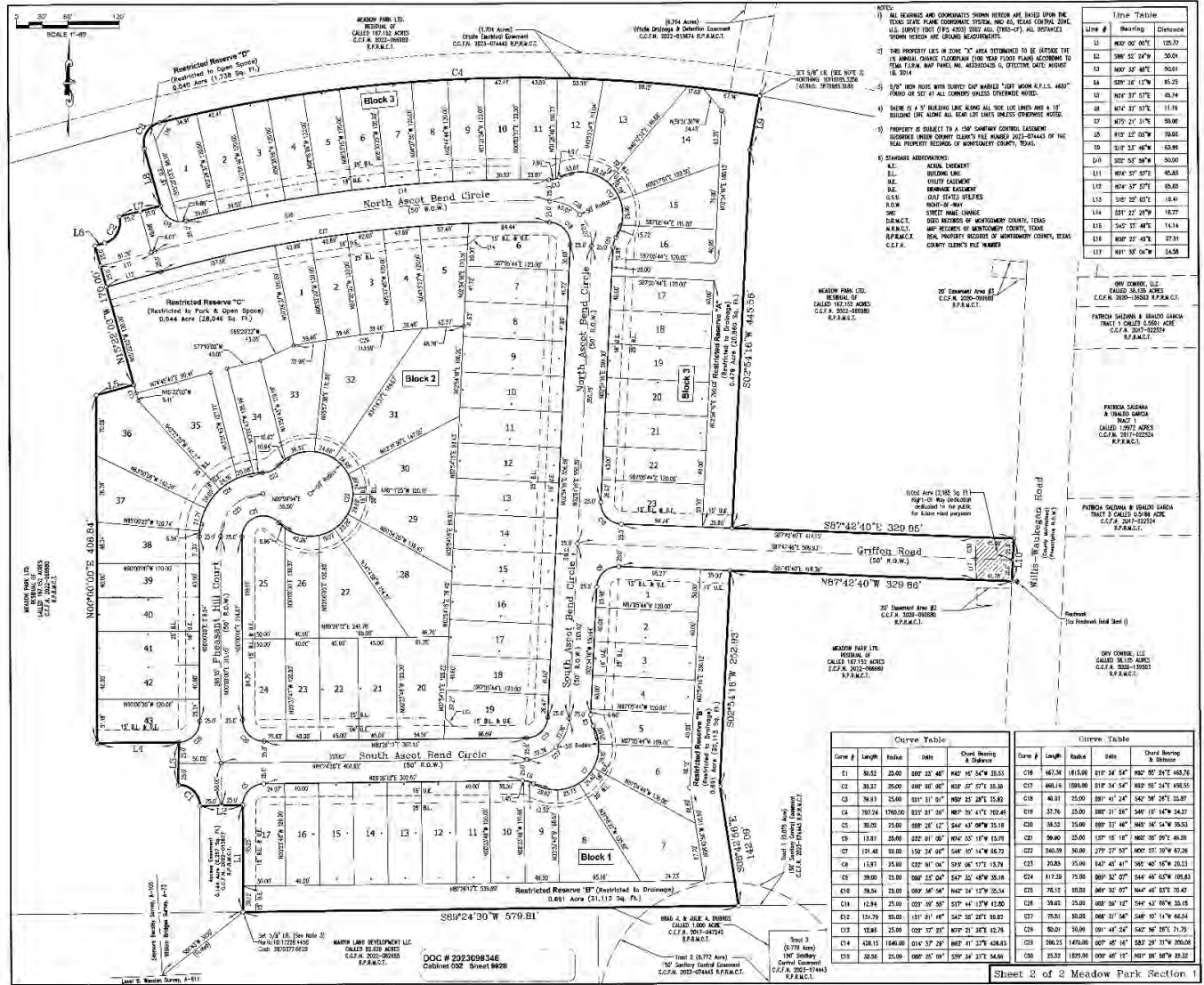
A) Referenced to NCS Benchmark Monument Control_RH1 elevation= 209.22' based on NAVD83 Geoid 128

B) Referenced to NCS Benchmark Monument AS685 elevation= 212.70' based on NAVD 83 Geoid 128

JEFFREY MOON & ASSOCIATES, INC.
LAND SURVEYORS
www.jmoonandassoc.com
TDEPS FIRM No. 10112000
P.O. Box 2501, Conroe, Texas 77385
PHONE: (936)756-5295
FAX: (936)756-5291

Sheet 1 of 2

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© William B. Bridges - A-73 - 15.937 Acres Platted in the Bridges Survey, Meadow Park, Section 1, June 1993



NOTE:

- 1) ALL EXISTING AND PROPOSED SHOWN HEREON ARE BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, TEXAS CENTRAL ZONE, UTM ZONE 16Q, UTM GRID 16Q UTM 16Q 010 000 000. ALL DISTANCES SHOWN HEREON ARE GROUND MEASUREMENTS.
- 2) THE PROPERTY LIES IN ZONE "A" AREA DETERMINED TO BE OUTSIDE THE 1% ANNUAL FLOOD FLOODPLAIN FOR THE YEAR FLOOD PLAINING BEGINS TO FLOOD. THE MAP PANEL MAY, ADDITIONALLY, A DETAILED DATE REPORT IS TO BE PROVIDED.
- 3) 5'± WITH POSE WITH BUREY CO. MARKED "DIST. WITH A.P.L.S. UNIT" FOUND OR SET AT ALL CORNERS UNLESS OTHERWISE NOTED.
- 4) THERE IS A 5'± BUILDING LINE ALONG ALL SIDE LOTS UNLESS A 10'± BUILDING LINE IS SHOWN ALL SIDE LOTS UNLESS OTHERWISE NOTED.
- 5) PROPERTY IS SUBJECT TO A 5'± CAMPAIGN CONTROL EASEMENT SCOURCES UNDER COUNTY CLERK'S FILE NUMBER 2012-07443 OF THE PUBLIC PROPERTY RECORDS OF MONTGOMERY COUNTY, TEXAS.
- 6) SURVEY ADJUSTMENTS:
 - LE: MEAN ELEVATION
 - RI: RISE
 - RE: RIGHT ELEVATION
 - BE: BENCH ELEVATION
 - CS: CLOSE LEVEL
 - POW: POINT-TO-POINT
 - SM: SIGHT MEASUREMENT
 - DE: DISTANCE
 - REC: RECORDS OF MONTGOMERY COUNTY, TEXAS
 - AP: AREA
 - REF: REAL PROPERTY RECORDS OF MONTGOMERY COUNTY, TEXAS
 - CL: COUNTY CLERK'S FILE NUMBER

Curve #	Stationing	Distance
1	800+00.00	125.71
2	800+00.00	50.00
3	800+30.00	50.00
4	800+30.00	85.25
5	800+30.00	67.74
6	800+30.00	117.78
7	800+30.00	90.00
8	800+30.00	70.00
9	800+30.00	63.99
10	800+30.00	50.00
11	800+30.00	45.85
12	800+30.00	40.00
13	800+30.00	34.14
14	800+30.00	27.77
15	800+30.00	21.14
16	800+30.00	14.77
17	800+30.00	8.50

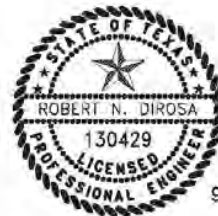
Curve Table					Curve Table				
Curve #	Length	Radius	Delta	Chord Bearing & Distance	Curve #	Length	Radius	Delta	Chord Bearing & Distance
01	30.52	25.00	89° 33' 48"	N42° 16' 54" W 35.53	016	467.38	1615.00	81° 34' 54"	N82° 07' 51" W 465.76
02	38.37	25.00	89° 36' 00"	N39° 27' 57" W 35.39	017	468.19	1580.00	81° 34' 54"	N80° 26' 24" W 465.35
03	39.81	25.00	89° 37' 30"	N36° 59' 28" W 35.00	018	469.11	1550.00	81° 34' 54"	N78° 36' 24" W 464.97
04	39.24	1765.00	82° 31' 30"	N30° 30' 47" W 104.47	019	57.76	25.00	89° 37' 30"	N46° 14' 24" W 34.27
05	39.20	25.00	89° 26' 11"	N44° 45' 09" W 35.16	020	38.52	35.00	89° 37' 48"	N40° 54' 36" W 35.53
06	15.81	25.00	82° 31' 30"	N45° 16' 54" W 15.81	021	59.80	25.00	89° 16' 18"	N40° 56' 30" W 62.08
07	121.42	50.00	159° 34' 00"	S48° 50' 14" W 69.72	022	240.59	50.00	279° 57' 57"	N00° 20' 30" W 67.26
08	11.81	25.00	82° 31' 30"	S19° 06' 57" W 11.81	023	20.83	25.00	84° 45' 41"	N40° 40' 16" W 20.23
09	39.00	25.00	89° 15' 04"	S47° 22' 48" W 38.16	024	117.20	75.00	86° 32' 07"	S44° 46' 45" W 105.83
10	58.24	25.00	89° 36' 54"	N42° 34' 12" W 38.24	025	78.15	80.00	86° 32' 07"	N44° 46' 08" W 78.42
11	12.94	25.00	89° 36' 54"	S17° 41' 12" W 12.94	026	128.42	25.00	89° 36' 54"	S44° 45' 08" W 35.15
12	124.79	50.00	151° 01' 48"	S45° 35' 28" W 98.82	027	78.54	80.00	86° 32' 07"	S46° 10' 14" W 68.24
13	12.89	25.00	89° 37' 30"	N39° 27' 57" W 12.89	028	50.00	50.00	90° 41' 24"	S42° 56' 30" W 71.75
14	428.15	1648.00	81° 37' 24"	N65° 41' 37" W 428.15	029	208.15	1648.00	80° 45' 48"	S28° 20' 31" W 208.06
15	38.56	25.00	89° 35' 00"	S59° 34' 37" W 38.56	030	22.32	1825.00	89° 45' 18"	N01° 00' 58" W 22.32

ENGINEERING REPORT

Meadow Park
Public Improvement District
Montgomery County, Texas

Prepared By:

Bleyl Engineering
100 Nugent Street
Conroe, TX 77301
September 2024



9/24/24

Robert N. Dirosa

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Introduction

The Meadow Park development is a proposed single-family residential development tract near Cut and Shoot, Texas, approximately ¼ mile south of SH 105 on the west side of Waukegan Road in Montgomery County.

The development encompasses an estimated 167 acres of land for construction of approximately 612 single-family residential units. A site location map is included in the Appendix.

This report includes supporting documentation for the formation of the PID and the issuance of bonds by the County. The bonds are anticipated to be used to finance public infrastructure projects vital for the development within the PID.

I: DEVELOPMENT COSTS

An engineer's opinion of probable cost (Engineer's OPC) has been prepared for all off-site and on-site infrastructure. The Engineer's OPC for Improvement Area #1 has been provided in the Appendix.

II: DEVELOPMENT IMPROVEMENTS

Development improvements have been defined as Improvement Area #1 and Future Improvement Areas. Development Improvements will be designed and constructed in accordance with Montgomery County standards and specifications and will be owned and operated by the County unless indicated otherwise.

Development improvements include:

Streets

Improvements include subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, and streetlights.

Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements will provide street access to each lot and access to public roadways and state highways. The street improvements will be designed and constructed in accordance with County standards and specifications and will be owned and operated by the county.

Drainage

Improvements include trench excavation and embedment, trench safety, reinforced concrete and HDPE piping, manholes, inlets, channels/swales and ponds. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area. The drainage improvements will be designed and constructed in accordance with County standards and specifications and will be owned by the County and operated and maintained by the HOA. The drainage improvements will also include connecting an outfall storm water structure to an offsite existing detention pond for capacity and conveyance of stormwater.

Major Improvements

Improvements include a detention pond located in the Future Improvement Area that include trench excavation and embedment, trench safety, reinforced concrete and HDPE piping, manholes, inlets, slopes, channels/swales to increase its detention capacity and conveyance of storm water. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area. The drainage improvements will be designed and constructed in accordance with County standards and specifications and will be owned and operated by the County.

Parks

Improvements include green areas, landscaping, play areas, playground equipment, fields, pavilions, and parking. These improvements are for the public as well as this neighborhood. The final selection of the park improvements will be discussed and considered with county input.

Water (Privately Financed)

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, fire hydrants service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. The water improvements will be designed and constructed in accordance with T.C.E.Q. standards and specifications and will be owned and operated by a private entity.

Wastewater (Privately Financed)

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, lift stations, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. The wastewater improvements will be designed and constructed in accordance with T.C.E.Q. standards and specifications and will be owned and operated by a private entity.

Electrical (Privately Financed)

Improvements include constructing overhead and underground electrical distribution facilities to and in the Improvement Area #1 and supply and install all primary facilities for the purpose of making electric distribution service available to the improvements and/or lots located in Improvement Area #1. The electrical improvements will be designed and constructed in accordance with P.U.C. standards and specifications and will be owned and operated by a private entity.

Development areas and improvements are depicted within Appendix 2 through Appendix 4.

III: DEVELOPMENT SCHEDULE

Design Stage

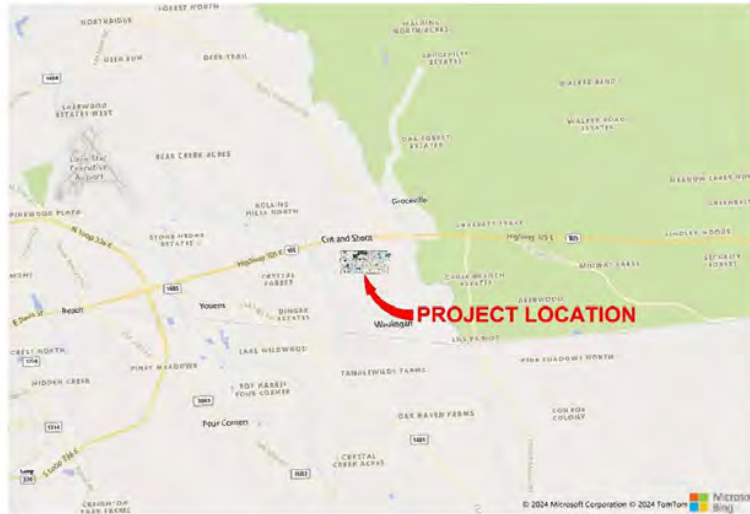
Meadow Park Section 1, Improvement Area #1, construction plans have been approved by Montgomery County as of June 2023. The estimated plan preparation, approval, and construction are included in the following table.

Task Name	Start	Finish
Improvement Area 1 – Section 1 Plan Approval	Tue 06/06/23	Fri 06/30/23
Improvement Area 1 – Section 1 Construction	Tue 06/06/23	Fri 06/30/23
Improvement Area 1 – Section 2 Plan Approval	Tue 06/06/23	Fri 06/30/23
Improvement Area 1 – Section 2 Construction	Mon 07/31/23	Fri 01/05/24
Improvement Area 1 – Section 3 Plan Approval	Mon 07/03/23	Fri 12/29/23
Improvement Area 1 – Section 3 Construction	Mon 04/01/24	Fri 09/27/24
Improvement Area 1 – Section 4 Plan Approval	Wed 05/01/24	Tue 10/29/24
Improvement Area 1 – Section 4 Construction	Mon 12/02/24	Fri 05/30/25
Future Improvement Areas		

IV: APPENDIX

Appendix 1: SITE LOCATION MAP

VICINITY MAP (NTS)



LOCATION MAP (NTS)



Appendix 2: PROPOSED OVERALL IMPROVEMENT AREA LAND PLAN



Appendix 2a: PROPOSED MEADOW PARK IMPROVEMENT AREA 1 LAND PLAN



Appendix 3: IMPROVEMENT AREA 1 COST ESTIMATE

REIMBURSABLE ITEMS

STREETS

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
1	Provide Equipment and Labor to root rake the R.O.W. to clear any remaining vegetation debris and dispose of properly	11	AC	\$1,375.00	\$15,125.00
2	Stabilization of pad sites 1-8 including grass seeding, complete in place.	11	AC	\$1,300.00	\$14,300.00
3	Connection to Waukegan Road. Including but not limited to full depth sawcut, radius returns, etc.	1	LS	\$3,500.00	\$3,500.00
4	Furnish and install 6" Reinforced Concrete Pavement (3,500 PSI @ 28 days) including full tie reinforcement, joints, and saw cutting. (26' B-B)	17,100	SY	\$61.35	\$1,049,085.00
5	Prepare roadway R.O.W./construction zone (50' W) including all dirt work for roadway including related items & appurtenances, complete in place. Excavated material to be spoiled on-site, spread evenly, and lightly compacted as specified by owner or engineer.	56	STA	\$2,000.00	\$112,000.00
6	Furnish Lime/Fly Ash (20/80) (50 lbs/sy per 6" depth) stabilized subgrade, complete in place. (28' B-B)	456	TON	\$229.00	\$104,424.00
7	Provide labor and equipment to prepare and stabilize 6" Lime/Fly Ash treated subgrade, complete in place.	18,250	SY	\$5.00	\$91,250.00
8	Furnish and install 4" rollover reinforced concrete curb, complete in place.	10,770	LF	\$6.10	\$65,697.00
9	Furnish and install type III traffic barricades.	2	EA	\$2,100.00	\$4,200.00
10	Furnish and install traffic control, street signs, street name signs, complete in place.	15	EA	\$1,000.00	\$15,000.00
11	Provide labor, equipment, and material to construct crushed concrete all weather access road, 12 feet wide with geotextile underlay for removal when permanent roadway is constructed. Remove and stockpile topsoil for re-application. No stabilization is required for this temporary access roadway. Only compaction to support 25-ton tandem axle load (Fire truck/motor grader). Meadow Park – 2,300 SY	2,300	SY	\$30.00	\$69,000.00

12	Provide labor, equipment, and material to construct crushed concrete all weather access road, 12 feet wide with geotextile underlay for removal when permanent roadway is constructed. Remove and stockpile topsoil for re-application. No stabilization is required for this temporary access roadway. Only compaction to support 25-ton tandem axle load (Fire truck/motor grader). Pheasant Hill - 333 SY.	1,350	SY	\$33.00	\$44,550.00
13	Provide and install Sch 80 3" electrical conduit PVC with caps, pull string, and end markers, 3 ft bury, complete and in place.	360	LF	\$15.00	\$5,400.00
SUB-TOTAL					\$1,593,531.00

DRAINAGE, STORM SEWER, DETENTION

ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
1	Furnish and install Type C manhole, complete in place.	14	EA	\$6,300.00	\$88,200.00
2	Furnish and install Type H-2 inlets, complete in place.	12	EA	\$8,200.00	\$98,400.00
3	Furnish and install type C-1 inlets, complete in place.	8	EA	\$12,741.00	\$101,928.00
4	Furnish and install 36" HDPE pipe (ADS N-12 or approved equal) including CSS backfill and 2 tie downs per pipe (note plan detail), complete in place.	706	LF	\$128.00	\$90,368.00
5	Furnish and install 30" HDPE pipe (ADS N-12 or approved equal) including approved backfill and 2 tie downs per pipe (note plan detail), complete in place.	210	LF	\$170.00	\$35,700.00
6	Furnish and install 24" HDPE pipe (ADS N-12 or approved equal) including approved backfill and 2 tie downs per pipe (note plan detail), complete in place.	1,304	LF	\$75.00	\$97,800.00
7	Furnish and install 18" HDPE pipe (ADS N-12 or approved equal) including approved backfill and 2 tie downs per pipe (note plan detail), complete in place.	633	LF	\$65.00	\$41,145.00
8	Grading for swale to Pond,	4,474	LF	\$15.00	\$67,110.00
9	Riprap in swales, complete in place.	1	LS	\$33,000.00	\$33,000.00
10	Provide and install Detention Pond outfall structure, complete in place.	1	EA	\$10,050.00	\$10,050.00
11	Provide and install Detention Pond overflow structure, complete in place.	1	EA	\$12,072.00	\$12,072.00

12	Provide and install northeast detention pond inflow structure (175 SY ±), complete in place.	1	EA	\$16,783.00	\$16,783.00
13	Provide and install Forest Trace detention pond inflow headwall structure and splash pad	1	EA	\$45,764.00	\$45,764.00
14	Provide and install 4'x3' Reinforced Concrete Box (RCB) including 8" CSS sand bedding, complete in place. (Griffon Road)	144	LF	\$444.00	\$63,936.00
15	Provide and install concrete headwall and slope paving for RCB, complete in place. (Griffon Road)	2	EA	\$25,000.00	\$50,000.00
16	Provide and install 4'x3' Reinforced Concrete Box (RCB) including 8" CSS sand bedding, complete in place. (Emergency Access/Future Entrance Blvd)	136	LF	\$444.00	\$60,384.00
17	Provide and install concrete headwall for RCB, complete in place. (Emergency Access/Future Meadow Park Road)	2	EA	\$15,000.00	\$30,000.00
18	Provide ditch and paving at Outfall E, complete in place.	125	SY	\$122.00	\$15,250.00
19	Provide and install concrete 18" Safety End Treatment (SET), complete in place.	12	EA	\$2,900.00	\$34,800.00
20	Provide and install 4'x3' Reinforced Concrete Box (RCB) including 8" CSS sand bedding, complete in place. (Lift Station Access Road)	92	LF	\$444.00	\$40,848.00
21	Furnish and install 60" HDPE Pipe (ADS N-12 or approved equal) includes CSS backfill and 2 tie downs per pipe, complete and in place	1,599	LF	\$258.00	\$412,542.00
22	Provide and install Type "E" area inlet, complete and in place	4	EA	\$15,700.00	\$62,800.00
23	Provide and install ditch, concrete paving at Outfall B to Outfall C, complete and in place	1,020	EA	\$261.90	\$267,138.00
24	Provide and install concrete ditch interceptor and 60" headwall inlet on South Swale to Forest	1	EA	\$60,743.00	\$60,743.00
25	Rough grading and earthwork, Pond excavation, Pond Expansion, etc. The quantity given is our estimate. Contractor shall use his own estimate for dirt work to be moved.				
25a	3a. Strip and stockpile topsoil, staking and layout.	2	EA	\$112,065.00	\$224,130.00
25b	3b. Mass grading of site	50,301	CY	\$6.15	\$309,351.15
25c	3c. Dig/Shape Detention Pond	65,366	CY	\$6.15	\$402,000.90

26	Site cleanup including hydro mulch of R.O.W., Detention Pond A, Detention Pond A Expansion, drainage swales, and areas disturbed by construction including topsoil stockpiling/re-application, final grading, and related items and appurtenances, complete in place. (Including future access drive area)	27.6	AC	\$12,435.00	\$343,206.00
SUB-TOTAL					\$3,115,449.05

MAJOR IMPROVEMENTS

ITEM	DESCRIPTION	QTY	UNIT	COST/UNIT	TOTAL
1	Detention Pond B constructed for the benefit of all lots in the district.	1	LS	\$500,000.00	\$500,000.00
SUB-TOTAL					\$500,000.00

PARKS

ITEM	DESCRIPTION	QTY	UNIT	COST/UNIT	TOTAL
1	Recreation Area, parking, equipment and amenities	1	LS	\$550,000.00	\$550,000.00
SUB-TOTAL					\$550,000.00

SOFT COSTS

ITEM	DESCRIPTION	QTY	UNIT	COST/UNIT	TOTAL
1	Mobilization, setup, & project overhead for all equipment, work on project including related items and appurtenances, complete in place (including insurance, performance, payment, and maintenance bonds.)	2	EA	\$89,450.00	\$178,900.00
2	Storm Water Pollution Prevention Plan (SWPPP) includes silt fencing, inlet protection, stabilized construction exit, erosion control measures until ground cover is established to include all related items and appurtenances, complete in place. Contractor shall be responsible for NOI/NOT and maintaining SWPPP for the duration of the project.	12	MO	\$6,117.00	\$73,404.00
3	Engineering, Geotech, Testing	1	LS	\$200,000.00	\$200,000.00
4	Surveying, staking	1	LS	\$100,000.00	\$100,000.00
SUB-TOTAL					\$552,304.00

NON-REIMBURSABLE ITEMS

WASTEWATER (Privately Financed)

ITEM	DESCRIPTION	QTY	UNIT	COST/UNIT	TOTAL
1	10" sanitary sewer connection to existing 12" sanitary sewer line, complete and in place.	1	EA	\$9,800.00	\$9,800.00
2	Provide labor and equipment to install 4 ft diameter sanitary sewer manhole, complete and in place.	28	EA	\$3,500.00	\$98,000.00
3	Provide labor and equipment to install 8" SDR 26 PVC sanitary sewer pipe (all depths), complete and in place.	4,790	LF	\$35.50	\$170,045.00
4	Provide labor and equipment to install 10" SDR 26 PVC sanitary sewer pipe (all depths), complete and in place.	1,267	LF	\$46.50	\$58,915.00
5	Provide labor and equipment to install 6" sanitary sewer service leads (long and short), complete and in place.	1,270	LF	\$105.00	\$133,350.00
6	Provide labor and equipment to install sanitary sewer service leads (long double), complete and in place.	21	EA	\$2,900.00	\$60,900.00
7	Provide labor and equipment to install sanitary sewer service leads (long single), complete and in place.	3	EA	\$2,800.00	\$8,400.00
8	Provide labor and equipment to install sanitary sewer service leads (short double), complete and in place.	26	EA	\$2,200.00	\$57,200.00
9	Provide labor and equipment to install sanitary sewer service leads (short single), complete and in place.	2	EA	\$2,000.00	\$4,000.00
10	Provide and install 18" split steel casing for 10" sanitary sewer, complete and in place.	25	LF	\$300.00	\$7,500.00
SUB-TOTAL					\$608,110.50

WATER (Privately Financed)

ITEM	DESCRIPTION	QTY	UNIT	COST/UNIT	TOTAL
1	8" water line connection to existing 8" water line at Waukegan Rd w/8"x8" TS&V and thrust blocking, complete and in place.	1	EA	\$7,500.00	\$7,500.00
2	Furnish and install 8" waterline AWWA C-900 PVC, including fittings, tracer wire, thrust blocking, bends, and appurtenances with standard bedding and backfill, all depths, complete and in place.	4,810	LF	\$52.25	\$251,322.50

3	Furnish and install 6" waterline AWWA C-900 PVC, including fittings, tracer wire, thrust blocking, bends, and appurtenances with standard bedding and backfill, all depths, complete and in place.	600	LF	\$49.00	\$29,400.00
4	Furnish and install 1" water service leads, CTS-Polyethylene, SDR-9, including fittings, tracer tape, thrust blocking, bends and appurtenances with standard bedding and backfill, all depths, complete and in place.	3,100	LF	\$41.75	\$129,425.00
5	Furnish and install 8" blow off valve with thrush blocks, complete and in place.	3	EA	\$2,100.00	\$6,300.00
6	Furnish and install 8" gate valve with thrust blocks, complete and in place.	11	EA	\$3,000.00	\$33,000.00
7	Furnish and install 6" gate valve with thrust blocks, complete and in place.	2	EA	\$2,200.00	\$4,400.00
8	Furnish and install fire hydrant assembly including valve and appurtenances, complete and in place.	12	EA	\$7,226.00	\$86,712.00
SUB-TOTAL					\$548,059.50

ELECTRICAL (Privately Financed)

ITEM	DESCRIPTION	QTY	UNIT	COST/UNIT	TOTAL
1	Electrical Service	2	LS	\$279,000.00	\$558,000.00
SUB-TOTAL					\$558,000.00

TOTALS

TOTAL REIMBURSABLE ITEMS		\$6,311,284.05
CONTINGENCY ON REIMBURSALE ITEMS	10%	\$631,128.41
TOTAL REIMBURSABLE ITEMS		\$6,942,412.46
TOTAL NON-REIMBURSABLE ITEMS		\$1,714,170.00
CONTINGENCY ON NON-REIMBURSABLE ITEMS	10%	\$171,417.00
TOTAL NON-REIMBURSABLE ITEMS		\$1,885,587.00
OVERALL TOTALS w/CONTINGENCY		\$8,827,999.46

Appendix 4: PROPOSED MEADOW PARK IMPROVEMENT AREA 1 MAP



NOTE: PLATTED SECTIONS 1&2 ARE SUBSETS OF IMPROVEMENT AREA NO. 1 AND FUTURE IMPROVEMENTS.

IMPROVEMENT AREA 1 DEFINITION SUMMARY

SECTION	AREA	AREA	AREA	AREA
1A	1,559 LF	3,442 SF	1,831 LF	1,888 SF
1B	1,796 SF	2,588 SF	0.94 AC	0.65 AC
TOTAL	3,355 LF	6,030 SF	2,762 LF	2,576 SF

NOTE: OTHER PLATTED SECTIONS 1&2 ARE SUBSETS OF IMPROVEMENT AREA NO. 1 AND FUTURE IMPROVEMENTS.

IMPROVEMENT AREA 1 QUANTITIES

ITEM	QUANTITY	UNIT
LABOR	1,559	LF
STREET	3,442	SF
PAVING	1,796	SF
ACCESS EASEMENTS	3,442	SF
WATER EASEMENTS	1,796	SF
UTILITY EASEMENTS	0.94	AC
COMMERCIAL	0.65	AC

Appendix 4A: IMPROVEMENT AREA 1 MAP: PROPOSED STREETS



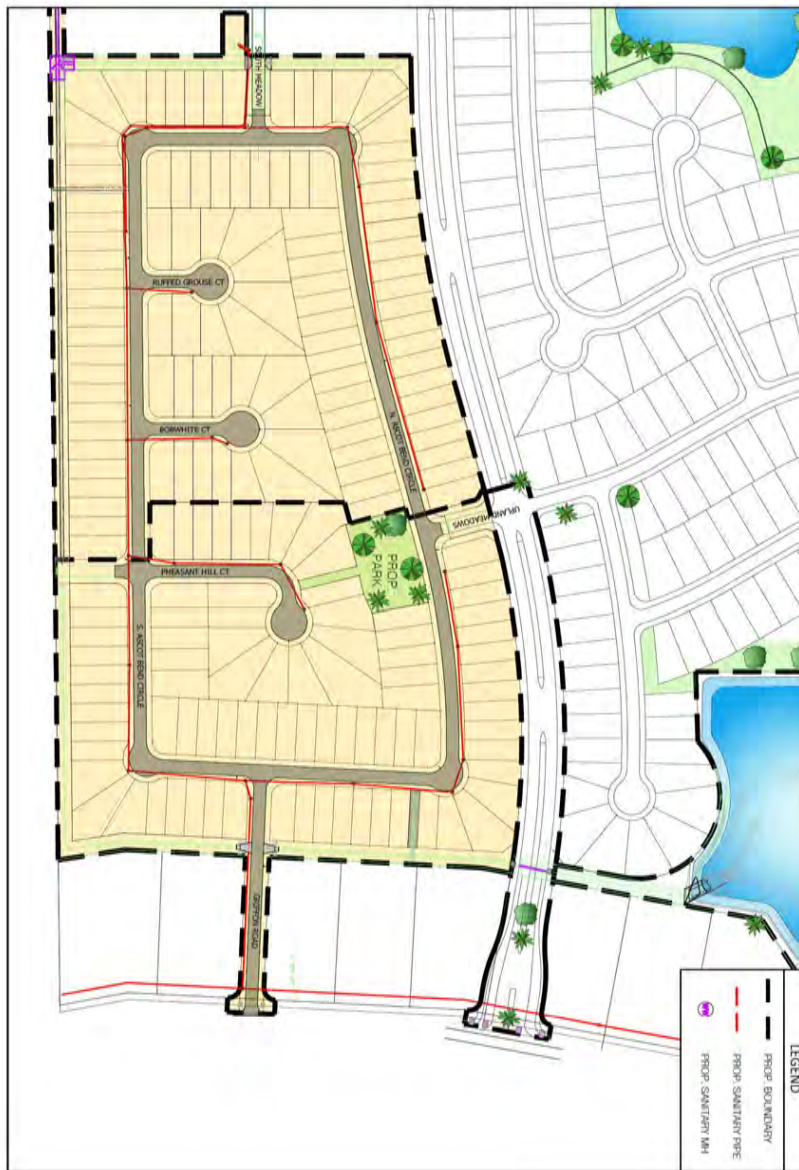
Appendix 4B: IMPROVEMENT AREA 1 MAP: PROPOSED STORM SEWER



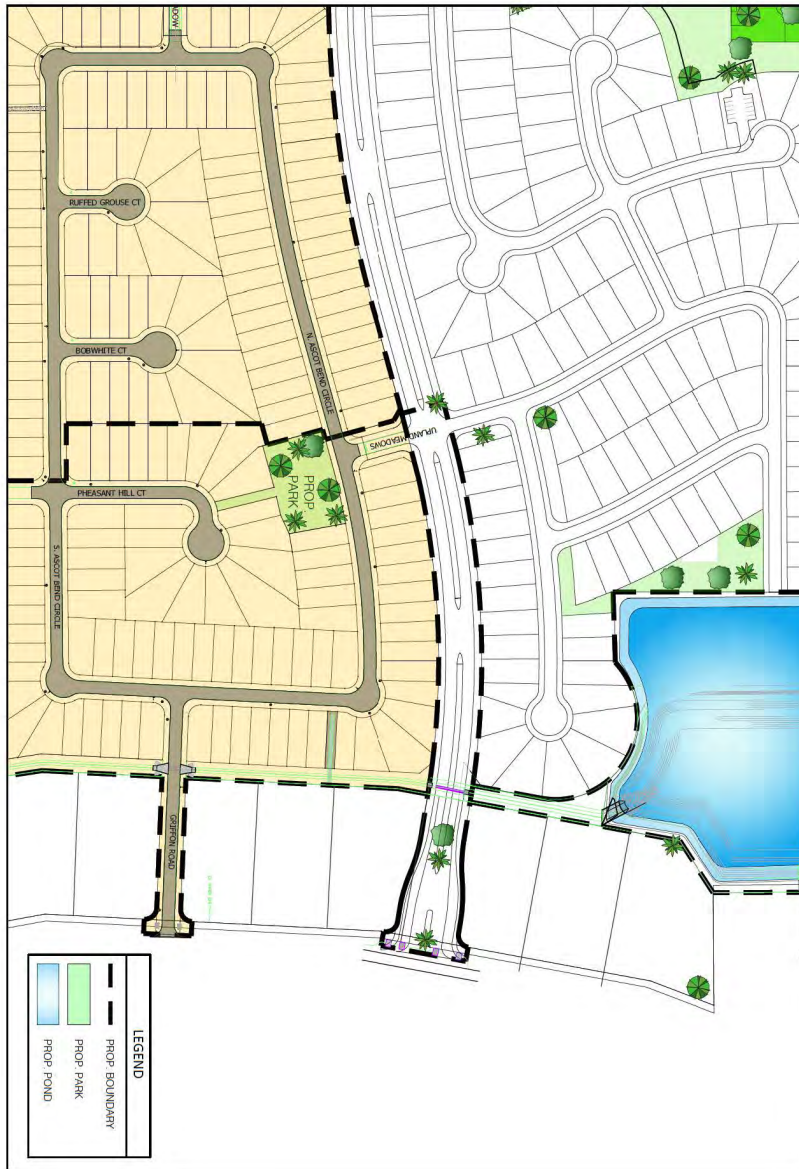
Appendix 4C: IMPROVEMENT AREA 1 MAP: PROPOSED WATER



Appendix 4D: IMPROVEMENT AREA 1 MAP: PROPOSED SANITARY SEWER



Appendix 4E: IMPROVEMENT AREA 1 MAP: PROPOSED PARK



Appendix 4F: IMPROVEMENT AREA 1 MAP: PROPOSED DETENTION POND AND STORM WATER RUNOFF AREA MAP



→ STORM WATER RUNOFF

LEGEND

- SECTIONS WITHIN IMPROVEMENT AREA 1
- DETENTION

NOTE: PATTERNED SECTIONS - 8 ARE SUBSETS OF IMPROVEMENT AREA NO. 1 AND FUTURE IMPROVEMENTS.

IMPROVEMENT AREA 1 DETENTION SUMMARY

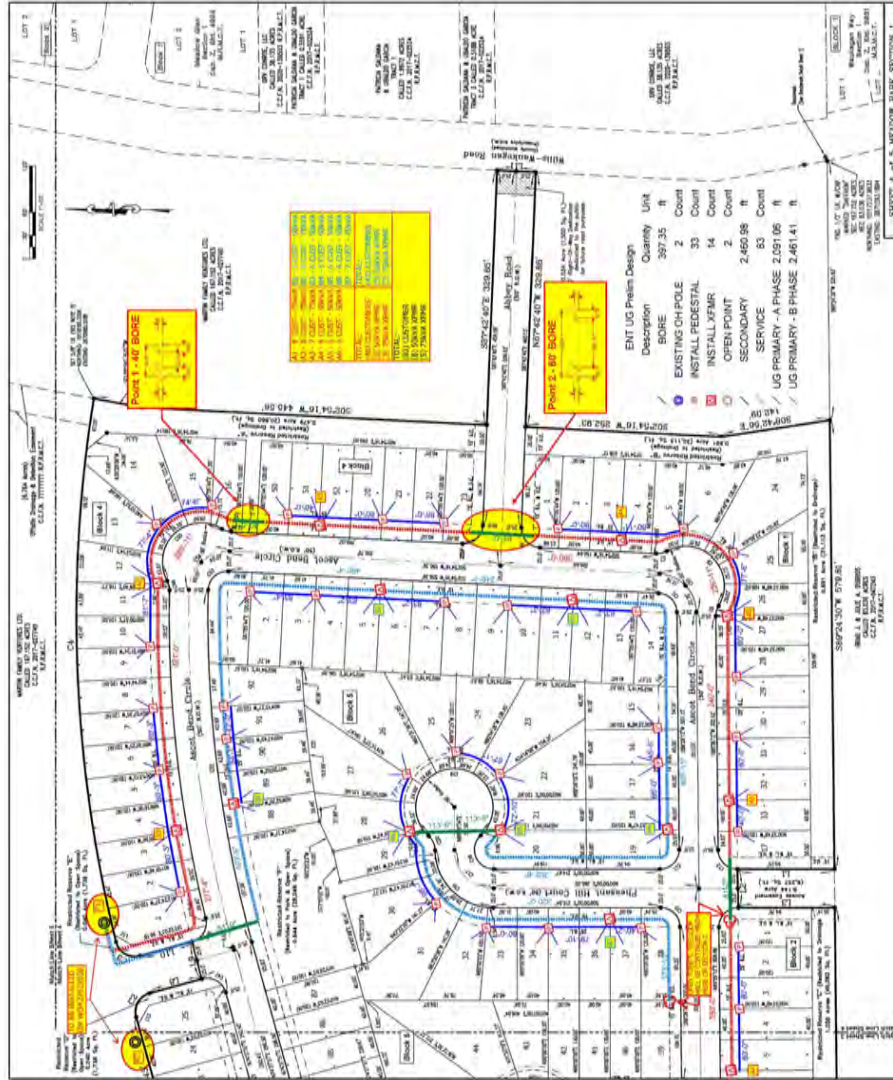
NO.	NAME	AREA	PERIMETER	NO.	NAME	AREA	PERIMETER
1	POND A1 (SECT. 1)	252,442 SQ. FT.	2,472 FT.	2	POND A2 (SECT. 2)	220,142 SQ. FT.	2,072 FT.
2	POND B (MAJOR IMPROVEMENT)	47,747 SQ. FT.	1,208 FT.	3	POND C (FUTURE IMPROVEMENT AREA)	27,774 SQ. FT.	1,274 FT.
3	POND D (FUTURE IMPROVEMENT AREA)	120,449 SQ. FT.	2,018 FT.	4	POND E (FUTURE IMPROVEMENT AREA)	30,887 SQ. FT.	1,314 FT.

NOTE: CIRCUMFERENCE CALCULATIONS IN THIS SHEET ARE FOR INFORMATION AND ARE NOT INTENDED FOR BID QUANTITIES. CONTRACTORS SHALL BE RESPONSIBLE FOR FURTHER CALCULATIONS FOR BIDDING PURPOSES.

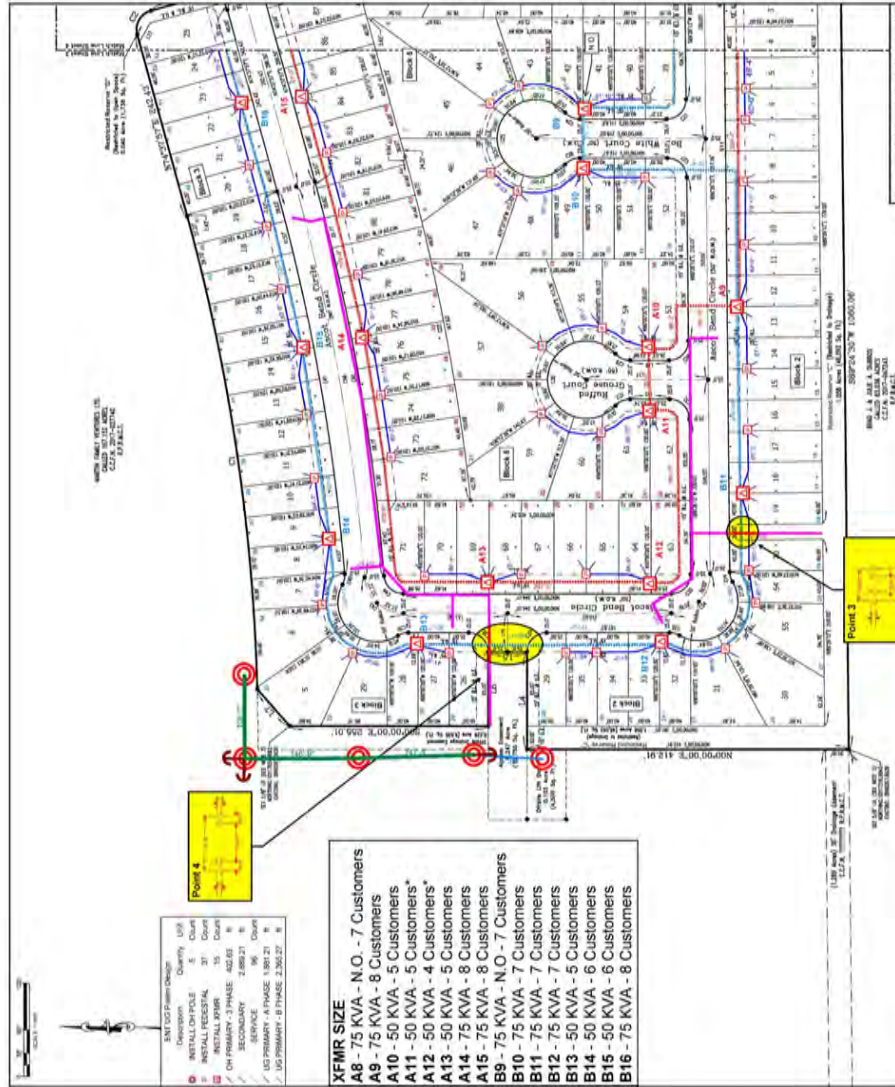
IMPROVEMENT AREA 1 QUANTITIES

	SECTION 1	SECTION 2
STREET	3,203 LF	2,670 LF
PARK	2.03 AC	8,578 SF
PARKING	1,786 SF	
ACCESS EASEMENTS	1,695 LF	3,405 SF
CONCRETE EASEMENTS	1,995 LF	2,888 SF
VEGETATION EASEMENT	0.34 AC	1,488 SF
COMMERCIAL	8.23 AC	0.66 AC

Appendix 4G: IMPROVEMENT AREA 1 MAP, SECTION 1: PROPOSED ELECTRICAL LAYOUT



Appendix 4G: IMPROVEMENT AREA 1 MAP, SECTION 2: PROPOSED ELECTRICAL LAYOUT



Appendix 4H: EXHIBIT "A" LEGAL DESCRIPTION OF PARENT TRACT

BEING 167.152 ACRES OF LAND IN THE WILLIAM B. BRIDGES SURVEY, A-73, MONTGOMERY COUNTY, TEXAS, SAID 167.152 ACRES BEING COMPRISED OF FOUR SEPARATE TRACTS DESCRIBED IN INSTRUMENTS TO CODY BIRDWELL, BEING THAT CERTAIN 59.59 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 8906424, THAT CERTAIN 42.295 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 8906426, THAT CERTAIN 42.295 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 8906425, AND THAT CERTAIN 25.00 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 9137246, ALL OF THE MONTGOMERY COUNTY REAL PROPERTY RECORDS, (M.C.R.P.R.), SAID 167.152 ACRE BEING DESCRIBED MORE PARTICULARLY AS FOLLOWS:

BEGINNING at a 1/2" inch iron rod with "Daffron" cap found in the West right-of-way of Waukegan Road, a county maintained right-of-way, for the Northeast corner of that certain 165.315 acre tract described in instrument to Drillmec, Inc., recorded under County Clerk's File Number 2014116952, of the Montgomery County Official Public Records, (M.C.O.P.R.), being the Southeast corner of second mentioned said 42.295 acre tract, and the herein described 167.152 acre tract;

THENCE South $89^{\circ}24'30''$ West, 3311.88 feet, with the South line of said second mentioned 42.295 acre tract, and said 59.59 acre tract, the North line of said 165.315 acre tract, to a 1/2" iron rod found for the Southwest corner of said 59.59 acre tract, the Southeast corner of said 25.00 acre tract, and being an angle point in the South line of the herein described 167.152 acre tract;

THENCE South $89^{\circ}37'50''$ West, 584.71 feet, with the South line of said 25.00 acre tract, the North line of said 165.315 acre tract, to a 2" iron pipe found in the East line of that certain 335.9702 acre tract described as Tract I, in instrument to D.P.S.F.L.P., recorded under County Clerk's File Number 2011051036, M.C.O.P.R., for the Northwest corner of said 165.315 acre tract, being the Southwest corner of said 25.00 acre tract and the herein described 167.152 acre tract;

THENCE North $03^{\circ}01'23''$ west, with the West line of said 25.00 acre tract, the east line of said 335.9702 acre tract, at 1323.65 feet pass a 4" by 4" concrete monument found for the Northeast corner of said 335.9702 acre tract, being the Southeast corner of that certain called 10.067 acre tract described as Tract I in instrument to Benjamin J. and Julie K. Rojas, recorded under County Clerk's File Number 2001-038077, M.C.O.P.R., at 1324.59 feet pass a 2" iron pipe found for reference, in all a total distance of 1861.77 feet, to a 2-1/4" iron pipe found for the Southwest corner of that certain called 20.00 acre tract described in instrument to Martin Glen Geiger and Jeanie Geiger, recorded under County Clerk's File Number 2013059768, M.C.O.P.R., being the Northwest corner of said 25.00 acre tract, and the herein described 167.152 acre tract;

THENCE North $89^{\circ} 53'34''$ East, 583.81 feet, with the North line of said 25.00 acre tract, the South line of said 20.00 acre tract, to a 1/2" iron rod found for the Northeast corner of said 25.00 acre tract, being the Northwest corner of said 59.59 acre tract, and being an angle point in the North line of the herein described 167.152 acre tract;

THENCE South $89^{\circ} 49'37''$ East, 782.95 feet, with the North line of said 59.59 acre tract, the South line of said 20.00 acre tract to a 4" by 4" concrete monument found for the Southeast corner of said 20.00 acre tract, being the Southwest corner of the residual of that certain called 90.3 acre tract described in instruments to Don Wallace Page and Ellen Ann Page, Trustees of the Page Living Trust, Dated April 24, 1995, recorded under County Clerk's File Numbers 2006-011641 and 2006-011642, M.C.O.P.R., and being an angle point in the North line of the herein described 167.152 acre tract, from which a 1-1/2" Steel Stake found (bent) for reference bears South $57^{\circ} 10'$ East, 0.44 feet;

THENCE South $89^{\circ} 58'06''$ East, 1428.57 feet with the North line of said 59.59 acre tract, the North of first mentioned said 42.295 acre tract, the south line of the residual of said 90.3 acre tract, to an axle found for the Southeast corner of the residual of said 90.3 acre tract, being the Southwest corner of that certain called 26.142 acre tract described in instrument to Connie Jean Harris Nelson, et al, recorded under County Clerk's File Number 2017011214, M.C.O.P.R., and being an angle point in the North line of the herein described 167.152 acre tract;

THENCE North $89^{\circ} 44'34''$ East, with the North line of said first mentioned 42.295 acre tract, the south line of said 26.142 acre tract and that certain called 3.539 acre tract described in instrument to Roy Robert Harris, Jr., recorded under County Clerk's File Number 2017011215, M.C.O.P.R., at 1011.98 feet pass a 1/2" iron rod with "Maddux" cap found for the Lower Southeast corner of said 26.142 acre tract, the Southwest corner of said 3.539, in all a total distance of 1097.02 feet to a 5/8" iron rod found for the Northwest corner of that certain called 2.0673 acre tract described in instrument to John Allen Robison and Susanne Agnes Robison, recorded under County Clerk's File Number 8643465, M.C.R.P.R., being the Northerly Northeast corner of the herein described 167.152 acre tract, from which a concrete monument found in the West right-of-way of said Waukegan Road for the Southeast corner of said 3.539 acre tract, being the Northeast corner of said 2.0673 acre tract bears North $89^{\circ} 27'06''$ East, 389.88 feet;

THENCE South $00^{\circ} 18'25''$ East, 278.08 feet, with the West line of said 2.0673 acre tract, to a 5/8" iron rod found for the Southwest corner of said 2.0673 acre tract, being an interior corner of the herein described 167.152 acre tract;

THENCE North $89^{\circ} 41'21''$ East, 267.68 feet, with the South line of said 2.0673 acre tract, to a 5/8" iron rod found in the West right-of-way of said Waukegan Road, the East line of said first mentioned 42.295 acre tract, for the Southeast corner of said 2.0673 acre tract, being the Easterly Northeast corner of the herein described 167.152 acre tract;

THENCE South $20^{\circ} 54' 11''$ West, 152.37 feet, with the West right-of-way of said Waukegan Road, the East line of said first mentioned 42.295 acre tract, to a 1/2" iron rod with cap stamped "Jeff Moon RPLS 4639" set for an angle point;

THENCE South $10^{\circ} 30'34''$ West, 568.35 feet, with the West right-of-way of said Waukegan Road, the East line of said first mentioned 42.295 acre tract, and said second mentioned 42.295 acre tract, to a 1/2" iron rod found for an angle point;

THENCE South $02^{\circ} 53' 59''$ West, 702.55 feet, with the West right-of-way of said Waukegan Road, the East line of said second mentioned 42.295 acre tract, to a 1/2" iron rod with cap stamped "Jeff Moon RPLS 4639" set for an angle point;

THENCE South $10^{\circ} 26' 45''$ East, 147.08 feet, with the West right-of-way of said Waukegan Road, the East line of said second mentioned 42.295 acre tract, to the POINT OF BEGINNING and containing in all 167.152 acre of land, more or less.

Appendix 4I: LEGAL DESCRIPTION OF IMPROVEMENT AREA 1



EXHIBIT "A"
SEPTEMBER 22, 2023

BEING 44.457 ACRES OF LAND SITUATED IN THE WILLIAM B. BRIDGES SURVEY, ABSTRACT NUMBER 73 IN MONTGOMERY COUNTY, TEXAS, BEING OUT OF THAT CERTAIN 167.152 ACRE TRACT CONVEYED IN DEED TO MEADOW PARK, LTD., RECORDED UNDER COUNTY CLERK'S FILE NUMBER 2022-006980 OF THE REAL PROPERTY RECORDS OF MONTGOMERY COUNTY, TEXAS; SAID 44.457 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS WITH ALL BEARINGS REFERENCED TO THE TEXAS COORDINATE SYSTEM, CENTRAL ZONE (NAD83), ALL DISTANCES SHOWN ARE GROUND::

COMMENCING at a 1/2 inch iron rod with survey cap marked "Daffron", found for the Southeast corner of said 167.152 acre tract, being the Northeast corner of a called 1.000 acre tract conveyed in deed to Brad J. and Julie A. Dubros recorded under County Clerk's File Number 2017-047245 of the Real Property Records of Montgomery County, Texas, and being in the West right-of-way line of Waukegan Road, a county maintained right-of-way;

THENCE South 89°24'30" West, along the South line of said 167.152 acre tract and the North line of said 1.000 acre tract, a distance of 335.83 feet to a 5/8 inch iron rod with survey cap marked "Jeff Moon R.P.L.S. 4639", set for POINT OF BEGINNING and the Southeast corner of the herein described tract;

THENCE South 89°24'30" West, continuing along the above mentioned line, passing at a distance of 164.80 feet the Northwest corner of said 1.000 acre tract and the Westerly Northeast corner of a called 82.036 acre tract conveyed in deed to Martin Land Development, LLC., recorded under County Clerk's File Number 2022-082655 of the Real Property Records of Montgomery County, Texas, and continuing along the South line of said 167.152 acre tract and the North line of said 82.036 acre tract, in all, a total distance of 2,976.05 feet to a 1/2 inch iron rod, found for an angle point, being an angle point in the South line of said 167.152 acre tract and in the North line of said 83.036 acre tract;

THENCE South 89°37'50" West, continuing along the above mentioned line, passing at a distance of 255.04 feet a 5/8 inch iron rod with survey cap marked "Jeff Moon R.P.L.S. 4639", found for the Northeast corner of Restricted Reserve "E" of Forest Trace Court Section 1, a subdivision according to

27

the map or plat thereof recorded in Cabinet Z, Sheet 7662 of the Map Records of Montgomery County, Texas, and continuing along said line, in all, a total distance of 301.11 feet to the Southwest corner of the herein described tract, from whence a 2 inch iron pipe, found for the Southwest corner of the herein described tract, being the Southwest corner of said 167.152 acre tract, being the Northwest corner of said 82.036 acre tract and the Northwest corner of said Restricted Reserve "E" bears South 89°37'50" West at 283.60 feet;

THENCE leaving the above mentioned line, over and across said 167.152 acre tract and being 30 feet North and parallel to the South line of said 167.152 acre tract the following courses and distances

1. North 00°22'10" West, a distance of 30.00 feet to the Northwest corner of the herein described tract
2. North 89°37'50" East, a distance of 301.05 feet to an angle point;
3. North 89°24'30" East, a distance of 1,286.43 feet to a point for corner;
4. North 00°00'00" East, a distance of 332.91 feet to a point for corner;
5. North 90°00'00" West, a distance of 90.00 feet to a point for corner;
6. North 00°00'00" East, a distance of 100.00 feet to a point for corner;
7. South 90°00'00" East, a distance of 90.00 feet to a point for corner;
8. North 00°00'00" East, a distance of 294.91 feet to a point for corner;
9. North 86°20'47" East, a distance of 11.71 feet to a point for the beginning of a curve to the left;
10. With said curve to left, having a radius of 2,540.00, an arc length of 681.28 feet, a delta of 15°22'04", a chord bearing of North 82°18'59" East and having a chord distance of 679.24 feet to a point for the end of said curve;
11. North 74°37'57" East, a distance of 232.43 feet to a point for corner;
12. North 15°22'03" East, a distance of 80.00 feet to a point for corner;
13. North 74°37'57" East, a distance of 64.07 feet to a point for the beginning of a curve to the right;
14. With said curve to right, having a radius of 1840.00, an arc length of 755.09 feet, a delta of 23°30'46", a chord bearing of North 86°23'20" East and having a chord distance of 749.81 feet to a point for the end of said curve;
15. North 10°30'50" East, a distance of 156.46 feet to a point for the beginning of a curve to the left;
16. With said curve to the left, having a radius of 170.00 feet, an arc length of 426.72 feet, a delta of 143°49'01", a chord bearing of North 61°23'49" West and a chord distance of 323.20 feet to a point of compound curvature;
17. With said curve to the left, having a radius of 2,130.00 feet, an arc length of 148.81 feet, a delta of 04°00'10", a chord bearing of South 88°08'47" West and a chord distance of 148.78 feet to a point for the upper Southwest corner of the herein described tract;
18. North 00°02'10" East, a distance of 486.23 feet to a point for the Northwest corner of the herein described tract, being in the North line of said 167.152 acre tract and being in the South line of a called 26.142 acre tract conveyed in deed to Connie Jean Harris Nelson, Kevin Groce Harris, Sabrina Kay Harris, Rhonda Elizabeth Harris and Reesa Lee Harris recorded under County Clerk's File Number 2018-032203 of the Real property Records of Montgomery County, Texas;

THENCE North 89°44'51" East, along the above mentioned line, a distance of 629.18 feet, to a 5/8 inch iron rod, found for the Northeast corner of the herein described tract, being the upper Northeast corner of said 167.152 acre tract, being the Northwest corner of a called 2.0673 acre tract conveyed in deed to Aaraab and Izyan LLC., " recorded under County Clerk's File Number 2022-019285 of the Real Property Records of Montgomery County, Texas, and being in the South line of a called 3.539 acre tract conveyed in deed to Roy Robert Harris, Jr., recorded under County Clerk's File Number 2017-011215 of the Real Property Records of Montgomery County, Texas.

THENCE South 00°20'14" East, leaving the above mentioned line and along the West line of said 2.0673 acre tract, a distance of 278.26 feet to a 5/8 inch iron rod, found for an angle point in the East line

of the herein described tract, being an interior corner of said 167.152 acre tract and being the Southwest corner of said 2.0673 acre tract;

THENCE leaving the above mentioned line, over and across said 167.152 acre tract the following courses and distances:

19. South 56°59'54" West, a distance of 130.33 feet to point for corner;
20. South 10°30'50" West, a distance of 456.45 feet to a point for corner;
21. With a curve to the right, having a radius of 1,840.00 feet, an arc length of 40.90 feet, a delta of 01°16'25", a chord bearing of South 80°07'39" East and a chord distance of 40.90 feet to a point for the end of said curve;
22. South 79°29'26" East, a distance of 288.84 feet to a point for a Northeasterly corner of the herein described tract, being in the East line of said 167.152 acre tract and being in the Westerly right-of-way line of said Willis-Waukegan Road;

THENCE South 10°30'34" West, along the above mentioned line, a distance of 80.00 feet to a point for a Southeasterly corner of the herein described tract;

THENCE leaving the above mentioned line, over and across said 167.152 acre tract the following courses and distances:


1. North 79°29'26" West, a distance of 288.84 feet to a point for the beginning of a curve to the left;
2. With a curve to the left, having a radius of 1,760.00 feet, an arc length of 40.91 feet, a delta of 01°19'54", a chord bearing of North 80°09'23" West and a chord distance of 40.91 feet to a point for corner;
3. South 10°30'50" West, a distance of 64.00 feet to a point for corner;
4. South 02°54'16" West, a distance of 445.56 feet to a point for corner;
5. South 87°42'40" East, a distance of 329.85 feet to a point for an Easterly corner of the herein described tract, being in the East line of said 167.152 acre tract and being in the West right-of-way line of said Waukegan Road;

THENCE South 02°53'59" East, along the above mentioned line, a distance of 50.00 feet to a point for corner;

THENCE leaving the above mentioned line, over and across said 167.152 acre tract the following courses and distances:

1. North 87°42'40" West, a distance of 329.86 feet to a point for corner;
2. South 02°54'16" West, a distance of 252.93 feet to an angle point;
3. South 08°42'56" East, a distance of 142.09 feet, back to the POINT OF BEGINNING and containing 44.457 acres of land.

Job. No: 84-B-09 (44.457 Acres (PID))


Jeffrey Moon
Registered Professional
Land Surveyor No. 4639



APPENDIX B – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this Appendix:

- Improvement Area #1
 - Lot Type 1
 - Remainder Parcel

MEADOW PARK PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE LOT TYPE 1

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
MONTGOMERY COUNTY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

IMPROVEMENT AREA #1 - LOT TYPE 1 PRINCIPAL ASSESSMENT: \$38,526.88

As the purchaser of the real property described above, you are obligated to pay assessments to Montgomery County, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Meadow Park 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 Montgomery County. The exact amount of each annual installment will be approved each year by the Montgomery County Commissioners Court in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from Montgomery County.

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 Montgomery County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

COUNTY OF LIBERTY §

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 Montgomery County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS §
 §
COUNTY OF LIBERTY §

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 Montgomery County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Improvement Area #1 Bonds							
Installment Due 1/31	Principal ^[a]	Interest ^[b]	Additional Interest ^[c]	Cash Disbursement to Developer ^[d]	Reserve Fund	Annual Collection Costs	Total Annual Installment Due ^[e]
2025	\$ 1,166.67	\$ 1,655.32	\$ -	\$ 5.23	\$ -	\$ 215.05	\$ 3,042.26
2026	\$ 494.62	\$ 2,148.22	\$ 186.80	\$ -	\$ -	\$ 219.35	\$ 3,048.99
2027	\$ 521.51	\$ 2,119.77	\$ 184.33	\$ -	\$ -	\$ 223.74	\$ 3,049.35
2028	\$ 553.76	\$ 2,089.78	\$ 181.72	\$ -	\$ -	\$ 228.22	\$ 3,053.49
2029	\$ 586.02	\$ 2,057.95	\$ 178.95	\$ -	\$ -	\$ 232.78	\$ 3,055.70
2030	\$ 623.66	\$ 2,024.25	\$ 176.02	\$ -	\$ -	\$ 237.44	\$ 3,061.36
2031	\$ 661.29	\$ 1,988.39	\$ 172.90	\$ -	\$ -	\$ 242.19	\$ 3,064.77
2032	\$ 698.92	\$ 1,950.37	\$ 169.60	\$ -	\$ -	\$ 247.03	\$ 3,065.92
2033	\$ 741.94	\$ 1,910.18	\$ 166.10	\$ -	\$ -	\$ 251.97	\$ 3,070.18
2034	\$ 790.32	\$ 1,867.52	\$ 162.39	\$ -	\$ -	\$ 257.01	\$ 3,077.24
2035	\$ 838.71	\$ 1,822.07	\$ 158.44	\$ -	\$ -	\$ 262.15	\$ 3,081.37
2036	\$ 887.10	\$ 1,773.84	\$ 154.25	\$ -	\$ -	\$ 267.39	\$ 3,082.58
2037	\$ 940.86	\$ 1,722.84	\$ 149.81	\$ -	\$ -	\$ 272.74	\$ 3,086.25
2038	\$ 1,000.00	\$ 1,668.74	\$ 145.11	\$ -	\$ -	\$ 278.19	\$ 3,092.04
2039	\$ 1,064.52	\$ 1,611.24	\$ 140.11	\$ -	\$ -	\$ 283.76	\$ 3,099.62
2040	\$ 1,129.03	\$ 1,550.03	\$ 134.78	\$ -	\$ -	\$ 289.43	\$ 3,103.28
2041	\$ 1,198.92	\$ 1,485.11	\$ 129.14	\$ -	\$ -	\$ 295.22	\$ 3,108.39
2042	\$ 1,274.19	\$ 1,416.17	\$ 123.15	\$ -	\$ -	\$ 301.13	\$ 3,114.64
2043	\$ 1,354.84	\$ 1,342.90	\$ 116.77	\$ -	\$ -	\$ 307.15	\$ 3,121.67
2044	\$ 1,440.86	\$ 1,265.00	\$ 110.00	\$ -	\$ -	\$ 313.29	\$ 3,129.15
2045	\$ 1,532.26	\$ 1,182.15	\$ 102.80	\$ -	\$ -	\$ 319.56	\$ 3,136.76
2046	\$ 1,629.03	\$ 1,094.05	\$ 95.13	\$ -	\$ -	\$ 325.95	\$ 3,144.16
2047	\$ 1,725.81	\$ 1,000.38	\$ 86.99	\$ -	\$ -	\$ 332.47	\$ 3,145.64
2048	\$ 1,844.09	\$ 901.15	\$ 78.36	\$ -	\$ -	\$ 339.12	\$ 3,162.71
2049	\$ 1,962.37	\$ 795.11	\$ 69.14	\$ -	\$ -	\$ 345.90	\$ 3,172.51
2050	\$ 2,086.02	\$ 682.27	\$ 59.33	\$ -	\$ -	\$ 352.82	\$ 3,180.44
2051	\$ 2,220.43	\$ 562.33	\$ 48.90	\$ -	\$ -	\$ 359.87	\$ 3,191.53
2052	\$ 2,365.59	\$ 434.65	\$ 37.80	\$ -	\$ -	\$ 367.07	\$ 3,205.11
2053	\$ 2,516.13	\$ 298.63	\$ 25.97	\$ -	\$ -	\$ 374.41	\$ 3,215.14
2054	\$ 2,677.42	\$ 153.95	\$ 13.39	\$ -	\$ (2,831.37)	\$ 381.90	\$ 395.29
Total	\$ 38,526.88	\$ 42,574.33	\$ 3,558.17	\$ 5.23	\$ (2,831.37)	\$ 8,724.32	\$ 90,557.56

Footnotes:

[a] As of October 1, 2024, the total outstanding Improvement Area #1 Assessment was \$7,391,721. At pricing of the Improvement Area #1 Bonds, the outstanding Improvement Area #1 Assessments will be reduced to the actual principal amount of the Improvement Area #1 Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement will be discharged and no longer due and owing.

[b] Interest on the Series 2024 PID Bonds is calculated at a rate of 5.75% for illustrative purposes.

[c] Additional Interest is calculated at the Additional Interest Rate.

[d] Cash reimbursement to the Developer for actual costs not funded with bond proceeds as cash reimbursement from surplus annual installment.

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

**MEADOW PARK PUBLIC IMPROVEMENT DISTRICT BUYER DISCLOSURE
IMPROVEMENT AREA #1 REMAINDER PARCEL**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
MONTGOMERY COUNTY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

**IMPROVEMENT AREA #1 - REMAINDER PARCEL PRINCIPAL ASSESSMENT:
\$3,968,268.82**

As the purchaser of the real property described above, you are obligated to pay assessments to Montgomery County, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Meadow Park 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 Montgomery County. The exact amount of each annual installment will be approved each year by the Montgomery County Commissioners Court in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from Montgomery County.

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 Montgomery County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

COUNTY OF LIBERTY §

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 Montgomery County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 REMAINDER PARCEL

Improvement Area #1 Bonds							
Installment Due 1/31	Principal ^[a]	Interest ^[b]	Additional Interest ^[c]	Cash Disbursement to Developer ^[d]	Reserve Fund	Annual Collection Costs	Total Annual Installment Due ^[e]
2025	\$ 120,166.67	\$ 170,497.67	\$ -	\$ 538.26	\$ -	\$ 22,150.54	\$ 313,353.13
2026	\$ 50,946.24	\$ 221,266.15	\$ 19,240.51	\$ -	\$ -	\$ 22,593.55	\$ 314,046.45
2027	\$ 53,715.05	\$ 218,336.74	\$ 18,985.78	\$ -	\$ -	\$ 23,045.42	\$ 314,082.99
2028	\$ 57,037.63	\$ 215,247.85	\$ 18,717.20	\$ -	\$ -	\$ 23,506.33	\$ 314,509.02
2029	\$ 60,360.22	\$ 211,968.46	\$ 18,432.02	\$ -	\$ -	\$ 23,976.45	\$ 314,737.15
2030	\$ 64,236.56	\$ 208,497.47	\$ 18,130.22	\$ -	\$ -	\$ 24,455.98	\$ 315,320.23
2031	\$ 68,112.90	\$ 204,803.87	\$ 17,809.03	\$ -	\$ -	\$ 24,945.10	\$ 315,670.91
2032	\$ 71,989.25	\$ 200,887.66	\$ 17,468.47	\$ -	\$ -	\$ 25,444.01	\$ 315,789.38
2033	\$ 76,419.35	\$ 196,748.27	\$ 17,108.52	\$ -	\$ -	\$ 25,952.89	\$ 316,229.04
2034	\$ 81,403.23	\$ 192,354.16	\$ 16,726.42	\$ -	\$ -	\$ 26,471.94	\$ 316,955.75
2035	\$ 86,387.10	\$ 187,673.20	\$ 16,319.41	\$ -	\$ -	\$ 27,001.38	\$ 317,381.09
2036	\$ 91,370.97	\$ 182,705.94	\$ 15,887.47	\$ -	\$ -	\$ 27,541.41	\$ 317,505.79
2037	\$ 96,908.60	\$ 177,452.39	\$ 15,430.62	\$ -	\$ -	\$ 28,092.24	\$ 317,883.85
2038	\$ 103,000.00	\$ 171,879.87	\$ 14,946.08	\$ -	\$ -	\$ 28,654.08	\$ 318,480.02
2039	\$ 109,645.16	\$ 165,957.37	\$ 14,431.08	\$ -	\$ -	\$ 29,227.16	\$ 319,260.77
2040	\$ 116,290.32	\$ 159,652.77	\$ 13,882.85	\$ -	\$ -	\$ 29,811.71	\$ 319,637.65
2041	\$ 123,489.25	\$ 152,966.08	\$ 13,301.40	\$ -	\$ -	\$ 30,407.94	\$ 320,164.66
2042	\$ 131,241.94	\$ 145,865.72	\$ 12,683.95	\$ -	\$ -	\$ 31,016.10	\$ 320,807.71
2043	\$ 139,548.39	\$ 138,319.03	\$ 12,027.74	\$ -	\$ -	\$ 31,636.42	\$ 321,531.58
2044	\$ 148,408.60	\$ 130,295.00	\$ 11,330.00	\$ -	\$ -	\$ 32,269.15	\$ 322,302.75
2045	\$ 157,822.58	\$ 121,761.51	\$ 10,587.96	\$ -	\$ -	\$ 32,914.53	\$ 323,086.58
2046	\$ 167,790.32	\$ 112,686.98	\$ 9,798.84	\$ -	\$ -	\$ 33,572.82	\$ 323,848.97
2047	\$ 177,758.06	\$ 103,038.76	\$ 8,959.89	\$ -	\$ -	\$ 34,244.28	\$ 324,001.00
2048	\$ 189,940.86	\$ 92,817.95	\$ 8,071.10	\$ -	\$ -	\$ 34,929.17	\$ 325,759.08
2049	\$ 202,123.66	\$ 81,896.08	\$ 7,121.40	\$ -	\$ -	\$ 35,627.75	\$ 326,768.88
2050	\$ 214,860.22	\$ 70,274.24	\$ 6,110.78	\$ -	\$ -	\$ 36,340.30	\$ 327,585.54
2051	\$ 228,704.30	\$ 57,919.78	\$ 5,036.48	\$ -	\$ -	\$ 37,067.11	\$ 328,727.67
2052	\$ 243,655.91	\$ 44,769.01	\$ 3,892.96	\$ -	\$ -	\$ 37,808.45	\$ 330,126.33
2053	\$ 259,161.29	\$ 30,758.79	\$ 2,674.68	\$ -	\$ -	\$ 38,564.62	\$ 331,159.38
2054	\$ 275,774.19	\$ 15,857.02	\$ 1,378.87	\$ -	\$ (291,631.21)	\$ 39,336.03	\$ 40,714.90
Total	\$3,968,268.82	\$4,385,155.78	\$366,491.72	\$ 538.26	\$(291,631.21)	\$ 898,604.88	\$ 9,327,428.25

Footnotes:

[a] As of October 1, 2024, the total outstanding Improvement Area #1 Assessment was \$7,391,721. At pricing of the Improvement Area #1 Bonds, the outstanding Improvement Area #1 Assessments will be reduced to the actual principal amount of the Improvement Area #1 Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement will be discharged and no longer due and owing.

[b] Interest on the Series 2024 PID Bonds is calculated at a rate of 5.75% for illustrative purposes.

[c] Additional Interest is calculated at the Additional Interest Rate.

[d] Cash reimbursement to the Developer for actual costs not funded with bond proceeds as cash reimbursement from surplus annual installment.

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

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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FORM OF BOND COUNSEL OPINION LETTER

January 30, 2025

Montgomery County, Texas
Special Assessment Revenue Bonds, Series 2025
(Meadow Park Public Improvement District Improvement Area #1 Project)

Ladies and Gentlemen:

We have acted as bond counsel to Montgomery County, Texas (the “Issuer”) in connection with the issuance of \$ _____ aggregate principal amount of bonds designated as “Montgomery County, Texas Special Assessment Revenue Bonds, Series 2025 (Meadow Park Public Improvement District Improvement Area #1 Project)” (the “Bonds”). The Bonds are authorized by an order adopted by the Commissioners Court of the Issuer on January 7, 2025 (the “Order”) and are issued and secured under an Indenture of Trust, dated as of January 15, 2025 (the “Indenture”), between the Issuer and Regions Bank, an Alabama state banking corporation, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Order, the Indenture, the tax certificate of the Issuer dated the date hereof (the “Tax Certificate”), certificates of the Issuer, opinions of counsel to the Issuer and the Trustee, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. We have also examined executed Bond No. T-1 of this issue.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Order, the Indenture, and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Order, the Indenture, and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against entities such as the Issuer in the State of Texas (the “State”). We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of

forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Limited Offering Memorandum or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding special, limited obligations of the Issuer.
2. The Indenture has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Issuer enforceable against the Issuer in accordance with its terms. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Trust Estate, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
3. The Bonds are not a lien or charge upon the funds or property of the Issuer except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the Issuer, the State or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds.
4. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

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**MONTGOMERY COUNTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(MEADOW PARK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)
CONTINUING DISCLOSURE AGREEMENT OF ISSUER**

This Continuing Disclosure Agreement of Issuer, dated as of January 15, 2025 (this “Disclosure Agreement”), is executed and delivered by and among Montgomery County, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and Regions Bank, an Alabama state banking corporation, acting solely in its capacity as dissemination agent (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2025 (Meadow Park Public Improvement District Improvement Area #1 Project)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of January 15, 2025, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The initial Administrator is P3Works, LLC.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Collections Report” shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

“Annual Collections Report Filing Date” shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Annual Issuer Report Filing Date” shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer’s Fiscal Year, which Annual Issuer Report Filing Date is currently March 31.

“Annual Service Plan Update” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Collections Reporting Date” shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

“Delinquency Date” shall mean February 1 of the year following the year in which the Improvement Area #1 Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Developer” shall mean Meadow Park, Ltd., and its designated successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of January 15, 2025, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

“Disclosure Representative” shall mean the _____ or _____ of the Issuer or his or her designee or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean Regions Bank, an Alabama state banking corporation, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean the Meadow Park Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access system currently available on the internet at <http://emma.msrb.org>.

“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 twelve-month period from October 1 through September 30.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Assessments” shall have the meaning assigned to such term in the Indenture.

“Listed Events” shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Other Obligations” 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 Improvement Area #1 Assessments securing the Bonds, levied against property within Improvement Area #1 of the District 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.

“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.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Tax Year” means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2025, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Issuer Report Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement. The Annual Issuer Report may, but is not required to, include the audited financial statements of the Issuer and the failure to include the audited financial statements as a part of the Annual Issuer Report shall not violate the Issuer’s obligations under this Disclosure Agreement provided the Issuer provides its audited financial statements within twelve (12) months of the most recently ended Fiscal Year or, if the audited financial statements are not available within such twelve-

month period, the Issuer provides its unaudited financial statements within such twelve-month period, and provides audited financial statements when and if available. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Issuer Report Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Issuer Report Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent together with written direction to file such Annual Issuer Report with the MSRB. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer, but in no event later than the Annual Issuer Report Filing Date for such Fiscal Year.

If by the fifth (5th) day before the Annual Issuer Report Filing Date the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Annual Issuer Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Annual Issuer Report Filing Date, state the date by which the Annual Issuer Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Issuer Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Issuer Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Issuer 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 Issuer 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 Issuer 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 Issuer Report Filing Date.

- (b) The Issuer shall or shall cause the Dissemination Agent pursuant to written direction to:
 - (i) determine the filing address or other filing location of the MSRB each year prior to the Annual Issuer Filing Date; and
 - (ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer verifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Issuer Report Filing Date, the following:

(a) Annual Financial Information. The following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date(s), the interest rate(s), the original aggregate principal amount(s), the principal amount(s) remaining Outstanding, and the total interest amount due on the aggregate principal amount Outstanding;

(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments;

(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)(i) 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;

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) Audited Financial Statements. The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant, *but only if* available by the Annual Issuer Report Filing Date. If the audited financial statements of the Issuer are not available within twelve months after the end of the Fiscal Year, the Issuer shall provide notice that the audited financial statements are not available, file unaudited financial statements within such twelve-month period, and file audited financial statements when prepared and available.

(c) A form for submitting the information described in subsection 4(a) above is attached as Exhibit B hereto. Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering

document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Issuer Report, if such Annual Collections Report is available when the Annual Issuer Report is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (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 (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Collections Report Filing Date; 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 Improvement Area #1 Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (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, 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 bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within Improvement Area #1 of the District in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Other Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than three (3) Business Days immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; 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 Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under any of number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination

occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days' written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Regions Bank, an Alabama state banking corporation. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Continuing Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Continuing Disclosure Agreement of Developer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which

adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Dissemination Agent (at the written request of the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability arising under this Disclosure Agreement, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Issuer Report in accordance with subsection 3(a) or

the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Issuer Report or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in the 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 under this Disclosure Agreement, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC

PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Improvement Area #1 Assessments and the anticipated procedures for pursuing the collection of delinquent Improvement Area #1 Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Improvement Area #1 Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each individually, make the following representation and verifications to enable the Issuer to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Disclosure Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator, as the case may be, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification prior to the expiration or earlier termination of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

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

(b) No Boycott of Israel. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

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

(d) No Boycott of Energy Companies. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Submitted herewith is a completed Form 1295 in connection with the Dissemination Agent’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 Dissemination Agent, 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

Dissemination Agent 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. 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 and Venue. 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 Montgomery 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. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

MONTGOMERY COUNTY, TEXAS

By: _____

REGIONS BANK, an Alabama state banking
corporation
(as Dissemination Agent)

By: _____
Authorized Officer

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL ISSUER REPORT][ANNUAL COLLECTIONS REPORT]
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]**

Name of Issuer: Montgomery County, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Meadow Park
Public Improvement District Improvement Area #1 Project) (the
“Bonds”)
CUSIP Nos. [insert CUSIP Nos.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that Montgomery County, Texas (the “Issuer”), has not provided [an Annual Issuer Report][an Annual Collections Report][audited/unaudited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of January 15, 2025, by and among the Issuer, P3Works, LLC, as “Administrator,” and _____, as “Dissemination Agent.” The Issuer anticipates that [the Annual Issuer Report][the Annual Collections Report][audited/unaudited financial statements] will be filed by _____.

Dated: _____

_____, on behalf of Montgomery
County, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: Montgomery County, Texas

EXHIBIT B

**MONTGOMERY COUNTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(MEADOW PARK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: _____
Address: [_____] _____
Issuer: [_____] _____
Telephone: (____) ____-____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				—
				—
Total				

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value ⁽¹⁾	Book Value ⁽¹⁾	Market Value ⁽¹⁾

⁽¹⁾ According to account balance statement dated as of [insert date] as provided by the Trustee.

*Excluding audited financial statements of the Issuer

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF TRUST ESTATE

Cash Position of Trust Estate for statements dated September 30, 20[]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Improvement Area #1 Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Improvement Area #1 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 the Improvement Area #1 ⁽¹⁾

<u>Property Owner</u>	<u>No. of Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Improvement Area</u> <u>#1 Assessments</u>	<u>Percentage of Total</u> <u>Improvement Area</u> <u>#1 Assessments</u>
-----------------------	----------------------------	---	--	--

⁽¹⁾ Does not include those owing less than one percent (1%) of total Improvement Area #1 Assessments; may be fewer than five.

Assessed Value of the Improvement Area #1

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #1 is approximately \$[AMOUNT] according to the Montgomery County Appraisal District.

Foreclosure History Related to the Improvement Area #1 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 3/15</u>	<u>Delinquent % as of 3/15</u>	<u>Delinquent Amount as of 9/15</u>	<u>Delinquent % as of 9/15</u>	<u>Total Improvement Area #1 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 15 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 9/15</u>	<u>Parcel Numbers</u>
20__	%	
20__		
20__		
20__		
20__		

History of Prepayment of Improvement Area #1 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 SECTION 4(a)(iii) - (iv)
[Insert a line item for each applicable listing]

EXHIBIT C

**MONTGOMERY COUNTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(MEADOW PARK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: _____
Address: [_____] _____
Issuer: [_____, Texas _____]
Telephone: (____) ____ - ____
Contact Person: Attn: _____

**SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO
THE COLLECTION OF IMPROVEMENT AREA #1 ASSESSMENTS COVERING THE
PERIOD BEGINNING WITH THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING
THE REPORTING FISCAL YEAR THROUGH THE COLLECTIONS REPORTING DATE
PROVIDED IN COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S
DISCLOSURE AGREEMENT**

Foreclosure History Related To The Annual Installments⁽¹⁾

<u>Succeeding Fiscal Year</u>	<u>Delinquent Annual Installment Amount not in Foreclosure Proceedings</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Annual Installment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
20	\$		\$		\$

(i) Period covered includes October 1, 20__ through March 15, 20__.

Collection and Delinquency of Annual Installments ⁽¹⁾

<u>Succeeding Fiscal Year</u> 20__	<u>Total Annual Installments Levied</u> \$	<u>Parcels Levied</u> ⁽²⁾	<u>Delinquent Amount as of 3/15</u> \$	<u>Delinquent % as of 3/15</u> %	<u>Total Annual Installments Collected</u> ⁽³⁾ \$
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⁽¹⁾ Period covered includes October 1, 20__ through March 15, 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 Improvement Area #1 Assessments ⁽¹⁾

<u>Succeeding Fiscal Year</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u> \$
-------------------------------	------------------------------	------------------------------------	-----------------------	---------------------------------------

⁽¹⁾ Period covered includes October 1, 20__ through March 15, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR IMPROVEMENT AREA #1 ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Improvement Area #1 Assessments are due.
February 1	1	Improvement Area #1 Assessments delinquent if not received.
March 1	23/24	<p>Upon receipt, but no later than March 1, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.</p> <p>Issuer and/or Administrator should be aware of actual and specific delinquencies.</p> <p>Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year.</p> <p>Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.</p>
March 15	43/44	Trustee pays bond interest payments to Owners.
April 1	59/60	<p>At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Improvement Area #1 Assessments except that the Issuer or Administrator, working with the County Attorney or an appropriate designee, will begin process to cure deficiency.</p> <p>Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund representing financial difficulties and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw on the Reserve Fund.</p>

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Improvement Area #1 Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the Tax Assessor/Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

July 1

152/153

If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full September payment, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Report.

Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Report.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Improvement Area #1 Assessments.

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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**MONTGOMERY COUNTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(MEADOW PARK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1
PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of January 15, 2025 (this “Disclosure Agreement”), is executed and delivered by and among Meadow Park, Ltd. (the “Developer”), P3Works, LLC (the “Administrator”), and Regions Bank, an Alabama state banking corporation, acting solely in its capacity as dissemination agent (the “Dissemination Agent”) with respect to the captioned bonds (the “Bonds”). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust, dated as of January 15, 2025, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC, as the initial Administrator.

“Affiliate” shall mean an entity that is controlled by, controls, or is under common control with another entity. A Homebuilder may be an Affiliate of the Developer.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“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 Meadow Park, Ltd., its successors and assigns, including any Affiliate of the Developer.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds dated as of even date herewith executed and delivered by the Issuer, the Administrator, and the Dissemination Agent.

“Dissemination Agent” shall mean Regions Bank, an Alabama state banking corporation, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean the Meadow Park Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access system administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Homebuilder” shall mean any merchant homebuilder who enters into a Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

“Improvement Area # 1” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Assessments” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Projects” shall have the meaning assigned to such term in the Indenture.

“Issuer” shall mean Montgomery County, 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 agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Parcel” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Person” shall have the meaning assigned to such term in the Indenture.

“Private Improvements” shall mean the water, wastewater and electrical improvements to be constructed by the Developer within Improvement Area #1 and to be owned and operated by a private entity.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning March 31, 2025.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, and November 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“Reporting Party” shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall mean a Homebuilder that then owns 14 or more of the single family residential lots within the Improvement Area # 1.

“Significant Homebuilder Listed Events” shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

“Trustee” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the “Quarterly Information”). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party’s obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder, and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to the applicable Quarterly Information, or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly Information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report. 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 is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Improvement Area #1 Assessments levied within Improvement Area #1 on a Parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area #1, including the Improvement Area #1 Projects and the Private Improvements;

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of Improvement Area #1 undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within Improvement Area #1 owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of \$1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of development of Improvement Area #1, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any material change in the legal structure, chief executive officer, or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof; 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 Bonds:

(i) Failure to pay any real property taxes or Improvement Area #1 Assessments levied within Improvement Area #1 on a lot or Parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any 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 Reporting Party.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects, or the Private Improvements to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects or Private Improvements in substantially the form attached as Exhibit E (the “Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the

Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person's delivery of written acknowledgement of assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall require that any Person comply with obligations of this Section 5 with respect to any subsequent transfers by such Person to any individual or entity meeting the definition of a "Developer" in the future.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in Improvement Area #1 resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under Section 3 and Section 4(b) hereof, with respect to such acquired real property, until such party's disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) 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(c) and Section 4(e) above.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or any Significant Homebuilder under this Disclosure Agreement shall terminate upon the earliest of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer or such Significant Homebuilder, including their respective Affiliates and/or successors and assigns, no longer owns 14 or more single family residential lots within Improvement Area #1, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer or such Significant Homebuilder, including their respective Affiliates and/or successors and assigns, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earliest of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective Affiliates and/or successors and assigns, collectively no longer own 14 or more single family residential lots within Improvement Area #1, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective Affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB for filing, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent,

with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' notice to the Issuer, the Developer, and the Administrator; provided, however, that if the Dissemination Agent is serving in the same capacity under the Disclosure Agreement of Issuer, the Dissemination Agent shall resign under the Disclosure Agreement of Issuer simultaneously with its resignation hereunder; provided, further, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each of the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Regions Bank, an Alabama state banking corporation.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. 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).

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer or any Significant Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Developer or Significant Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure

Agreement, the Developer or the Significant Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided hereunder.

SECTION 12. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction, the Dissemination Agent shall, take such actions as may be necessary and appropriate to cause the applicable Reporting Party and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by a Reporting Party shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by any Reporting Party or the Administrator. Additionally, a default by any Reporting Party of its obligations under this Disclosure Agreement shall not be deemed a default 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 be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by any Reporting Party and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's breach, negligence, or willful misconduct. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to indemnify and 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 termination of this Disclosure Agreement, resignation or removal of the Administrator, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reasons held to be illegal or

invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Parties 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: Meadow Park, Ltd.
23449 Highway 59
Porter, Texas 77357
E-mail: mark@netmass.com

With a copy to: Timothy G. Green
Coats Rose, P.C.
9 Greenway Plaza, Suite 1000
Houston, Texas 77046
E-mail: tgreen@coatsrose.com

If to the Dissemination Agent or Trustee: Regions Bank
Attn: Angela Doyle
Regions Bank
1900 5th Avenue North
Birmingham, AL 35203
email: Angela.doyle@regions.com
Telephone: 205-264-4941

If to Administrator: P3Works, LLC
Mary Petty
(817) 438-6722
E-mail: Mary@p3-works.com
Andrea Barnes
(346) 355-9575
E-mail: andrea@p3-works.com

If to the Issuer: Montgomery County Commissioner Precinct 4
23628 Roberts Road
New Caney, Texas 77357
Telephone: (936) 521-8919

With a copy to: Montgomery County Attorney's Office
Attn: B.D. Griffin
501 N. Thompson, Suite 300
Conroe, Texas 77301
Email: bd.griffin@mctx.org
Telephone: (936) 539-7828

If to Participating Underwriter: FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
E-mail: Tdavenport@fmsbonds.com

SECTION 21. Term of Disclosure Agreement. Except for surviving indemnities of the parties to this Disclosure Agreement, this Disclosure Agreement terminates on the earlier of (i) the first

date on which none of the Bonds remain Outstanding, and (ii) the first date on which the reporting obligations of all Reporting Parties have terminated in accordance with the terms of this Disclosure Agreement.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

REGIONS BANK, an Alabama state banking
corporation,
Dissemination Agent

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

DEVELOPER:

Meadow Park Ltd.,
a Texas limited partnership

By: Meadow Park Partners, LLC,
a Texas limited liability company,
its General Partner

By: _____

Name: _____

Title: _____

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

P3WORKS, LLC,
Administrator

By: _____

Name: _____

Title: _____

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

EXHIBIT A

**MONTGOMERY COUNTY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(MEADOW PARK 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: _____
Address: _____
Email: _____
City: _____
Telephone: _____
Contact Person: Attn: _____

I. Expenditures Paid from Accounts under Indenture

Total budgeted costs for Improvement Area #1 Projects: \$ _____

Total budgeted costs for Improvement Area #1 Projects payable from proceeds of the Bonds:
\$ _____

Of the total budgeted costs for Improvement Area #1 Projects payable from proceeds of the Bonds,
actual costs drawn from the Improvement Account: \$ _____

II. Status of Improvement Area #1 Projects

Projected/actual completion date of the Improvement Area #1 Projects

1. Actual/Expected date of completion of the Improvement Area #1 Projects:

2. If applicable, explanation of any delay/change in projected completion date since last
Quarterly Report was filed: _____

III. Unit Mix in Improvement Area #1

Product Type	Number of Units

IV. Lot Status in Improvement Area #1

Of the 186 lots in the Improvement Area # 1, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 186
2. Planned lots as of the date of this Quarterly Report: _____
3. Lots developed: _____
4. Expected completion date of all lots in Improvement Area #1 (if incomplete):

V. Ownership of Lots/Units in Improvement Area #1

PLANNED LOTS IN IMPROVEMENT AREA #1: 186

Of the 186 lots in Improvement Area #1:

1. Number of lots owned by the Developer: _____
2. Number of lots under contract but not closed to Homebuilder(s): _____
3. Number of lots owned by all Homebuilder(s): _____¹
 - a. Number of lots owned by [*insert name of Homebuilder*]: _____²
 - b. Number of lots owned by [*insert name of Homebuilder*]: _____
4. Number of units owned by homeowners: _____

VI. Home Sales Information in Improvement Area #1

PLANNED HOMES IN IMPROVEMENT AREA #1: 186

Of the 186 homes planned for Improvement Area #1:

1. How many total building permits were issued **during the current quarter?** _____
 - a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____²
 - b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____²
2. How many total homes have closed with homebuyers **during the current quarter?**

 - a. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____²

¹ If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

² Include a line item for each individual Homebuilder.

- b. Number of homes closed with homebuyers during the current quarter for [insert name of Homebuilder]: _____³
- 3. How many total homes have closed with homebuyers **cumulatively**? _____
 - a. Number of homes closed with homebuyers cumulatively for [insert name of Homebuilder]: _____³
 - b. Number of homes closed with homebuyers cumulatively for [insert name of Homebuilder]: _____³

VII. Private Improvements

TOTAL [EXPECTED/ACTUAL] COSTS OF PRIVATE IMPROVEMENTS:
 \$ _____

Of the \$ _____ [expected/actual] costs of the Private Improvements:

- 1. Amount spent as of Quarterly Ending Date: \$ _____
- 2. [Actual/Expected] completion date of Private Improvements: _____

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 Improvement Area #1 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
- 2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Improvement Area #1 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 Improvement Area #1 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 Improvement Area #1 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

³ Include a line item for each individual Homebuilder.

developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?

5. **Reserved.**
6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.
7. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: Montgomery County, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Meadow Park
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 [“Developer⁴”] [“Significant Homebuilder”]) has not provided the
[Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*]
with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer
related to such Bonds, by and among Meadow Park, Ltd. (the “Developer”), P3Works, LLC, as
Administrator, and Regions Bank, an Alabama state banking corporation, as Dissemination Agent.
The [Developer][Significant Homebuilder] anticipates that the [Quarterly Information][Quarterly
Report] will be [provided][filed] by _____.

Dated: _____

REGIONS BANK, an Alabama state banking
corporation, on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: Montgomery County, Texas

⁴ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: Montgomery County, Texas
 Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Meadow Park Public Improvement District Improvement Area #1 Project) (the "Bonds")
 CUSIP Numbers. [insert CUSIP Numbers]
 Date of Delivery: _____, 20__

FMSbonds, Inc. 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034	Regions Bank 1900 5th Avenue North Birmingham, AL 35203
--	---

Montgomery County Commissioner Precinct 4 23628 Roberts Road New Caney, Texas 77357	Meadow Park, Ltd. 23449 Highway 59 Porter, Texas 77357 [Significant Homebuilder]
--	---

NOTICE IS HEREBY GIVEN 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 Developer related to such Bonds, by and among Meadow Park, Ltd. (the "Developer"), P3Works, LLC, as Administrator, and Regions Bank, an Alabama state banking corporation, as Dissemination Agent.

Dated: _____

P3WORKS, LLC, on behalf of the [Developer]
[Significant Homebuilder], as Administrator

By: _____

Title: _____

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer: Montgomery County, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Meadow Park Public Improvement District Improvement Area #1 Project) (the “Bonds”)
CUSIP Numbers: [insert CUSIP Numbers]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Meadow Park Public Improvement District Improvement Area #1

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among Meadow Park, Ltd.¹ (the “Developer”), P3Works, LLC, as Administrator, and Regions Bank, an Alabama state banking corporation, as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [Insert Quarterly Ending Date], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

Meadow Park, Ltd.,
a Texas limited partnership

By: Meadow Park Partners, LLC,
its General Partner

By: _____
Name: _____
Title: _____

[OR

SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)

By: _____
Title: _____]

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

**Re: – Continuing Disclosure Obligation - Meadow Park Public Improvement District
Improvement Area #1**

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects or Private Improvements (as those terms are defined in the Disclosure Agreement of Developer (as defined herein) within Improvement Area #1 of the Meadow Park Public Improvement District.

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the “Disclosure Agreement of Developer”) by and among Meadow Park, Ltd. (the “Developer”), P3Works, LLC (the “Administrator”), and Regions Bank, an Alabama state banking corporation (the “Dissemination Agent”), with respect to the “Montgomery County, Texas, Special Assessment Revenue Bonds, Series 2025 (Meadow Park Public Improvement District Improvement Area #1 Project),” any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects or Private Improvements is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for construction of the [Improvement Area #1 Projects/Private Improvements] as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Meadow Park, Ltd.,
a Texas limited partnership

By: Meadow Park Partners, LLC,
its General Partner

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: – Continuing Disclosure Obligation – Montgomery County, Texas Special Assessment Revenue Bonds, Series 2025 (Meadow Park Public Improvement District Improvement Area #1 Project)

Dear _____,

As of _____, 20__, you own ____ lots within Improvement Area #1 of the Meadow Park Public Improvement District (“Improvement Area #1”). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer related to the captioned Bonds (the “Disclosure Agreement of Developer”) by and among Meadow Park, Ltd. (the “Developer”), P3Works, LLC (the “Administrator”), and Regions Bank, an Alabama state banking corporation (the “Dissemination Agent”), with respect to the “Montgomery County, Texas Special Assessment Revenue Bonds, Series 2025 (Meadow Park Public Improvement District Improvement Area #1 Project),” any entity that owns 14 or more of the single family residential lots within Improvement Area #1 is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d) and Exhibit A as it relates to a Significant Homebuilder and 4(b) of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Meadow Park, Ltd.,
a Texas limited partnership

By: Meadow Park Partners, LLC,
its General Partner

By: _____
Name: _____
Title: _____

Acknowledged by:
[INSERT ASSIGNEE NAME]

By: _____
Title: _____

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APPENDIX F
DEVELOPMENT AGREEMENT

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F21 10A1
JUN 13 2023

**County Attorney Regular
Precinct 4**

Commissioners Court-Regular Meeting

TO: Montgomery County Commissioners Court

FROM: BD Griffin, County Attorney

DATE: 06/13/2023

SUBJECT: Consider and approve Development Agreement and Agreement for the Construction and Funding of Authorized Improvements and Reimbursement of Advances between Meadow Park, Ltd. and Montgomery County, Texas, in connection with the Meadow Park Public Improvement District, and authorize County Judge Mark J. Keough to sign agreements on behalf of Montgomery County.

Attachments

MP

#21 18.A.1.
JUN 13 2023

MEADOW PARK
DEVELOPMENT AGREEMENT
BETWEEN
MEADOW PARK, LTD.
AND
MONTGOMERY COUNTY, TEXAS
Dated: June 13, 2023

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**DEVELOPMENT AGREEMENT BETWEEN
MONTGOMERY COUNTY, TEXAS AND MEADOW PARK, LTD.**

This Development Agreement (this "Agreement") is made and entered into by Montgomery County, Texas (the "County"), acting by and through its governing body, the Montgomery County Commissioners Court, and Meadow Park, Ltd., a Texas limited partnership ("Developer").

RECITALS

WHEREAS, Developer owns approximately 167.152 acres of land located within the County and within the extraterritorial jurisdiction of the City of Cut and Shoot, and more particularly described on Exhibit "A" attached and incorporated herein by reference (the "Property"); and

WHEREAS, in order to incentivize the development of the Property and encourage and support economic development within the County and to promote employment, the County desires to facilitate the development of the Property through the financing of certain public infrastructure (the "Public Improvements" as defined herein) and constructing additional public improvements within the Property; and

WHEREAS, Developer plans a single-family development containing approximately 612 single-family home lots and approximately 102,400 square feet of commercial property to be known as Meadow Park, (the "Project") as depicted on the Land Plan of Meadow Park attached hereto as Exhibit "B" and incorporated herein by referenced (the "Land Plan"); and

WHEREAS, the County has approved and adopted a Certificate of Resolution on April 12, 2022, authorizing the establishment of the Meadow Park Public Improvement District (the "PID") following review of a PID petition; and

WHEREAS, the County intends to (upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement), adopt the Assessment Ordinance (as defined herein) and the Service and Assessment Plan (the "SAP") (as defined herein), which provide for the construction and financing of the Public Improvements pursuant to the SAP, payable in whole or in part by and from Assessments levied against property within the PID (whether through a cash reimbursement or through an issuance of PID Bonds, as defined herein); and

WHEREAS, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement, the County intends to levy Assessments on all benefitted property located within the PID and issue PID Bonds up to a maximum aggregate principal amount of \$30,000,000.00 for payment or reimbursement of the Public Improvements included in the SAP; and

WHEREAS, the payment and reimbursement for the Public Improvements shall be solely from the installment payments of Assessments and/or proceeds of the PID Bonds, and the County shall never be responsible for the payment of the Public Improvements or the PID Bonds from its general fund or its ad valorem tax collections, past or future, or any other source of County revenue or any assets of the County of whatsoever nature; and

WHEREAS, the County recognizes the positive impact that the construction and installation of the Public Improvements for the PID will bring to the County and will promote state and local economic development; to stimulate business and commercial activity in the County; for the development and diversification of the economy of the State; development and expansion of commerce in the State, and elimination of employment or underemployment in the State; and

WHEREAS, the County and the Developer are proceeding in reliance on the enforceability of this Agreement; and

WHEREAS, the County is authorized by the Constitution and laws of the State of Texas to enter into this Agreement.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration the County and Developer agree as follows:

Definitions

The terms "Agreement," "County," "Developer," "Project," and "Land Plan" shall have the meanings provided in the recitals above. Except as may be otherwise defined, or the context clearly requires otherwise, the following terms and phrases used in this Agreement shall have the meanings as follows:

"Affiliate" means any other person directly controlling, directly controlled by, or under direct common control with the Developer. As used in this definition, the term "control," "controlling," or "controlled by" shall mean the possession, directly, of the power either to (a) vote fifty percent (50%) or more of the securities or interests having ordinary voting power for the election of directors (or other comparable controlling body) of the Developer, or (b) direct or cause the direction of management or policies of the Developer, whether through the ownership of voting securities or interests, by contract or otherwise, excluding in each case, any lender of the Developer or any affiliate of such lender.

"Assessed Property" means any lot or parcel within the PID against which an Assessment is levied.

"Assessment Ordinance" means one or more of the County's ordinances approving a SAP and levying Assessments on the benefitted Property within each Section of the PID.

"Assessments" means those certain assessments levied by the County pursuant to the PID Act and on benefitted parcels within the PID for the purpose of paying the costs of the Public Improvements, which Assessments shall be structured to be amortized over 30 years, including interest, all as set forth in or modified by the SAP.

"Assessment Revenues" means the revenues received by the County from the Assessments levied within each Section of the PID.

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

“Construction Agreements” means the contracts for the construction of the Public Improvements.

“Cost Overruns” means those Public Improvement Project Costs that exceed the budget cost set forth in the SAP(s).

“Cost Underruns” means Public Improvement Project Costs that are less than the budgeted cost set forth in the SAP(s).

“County Commissioners Court” means the Montgomery County Commissioners Court.

“County Regulations” means provisions of the County’s ordinances and other policies duly adopted by the County, which are applicable to the Project, including but not limited to the Montgomery County Subdivision Rules and Regulations.

“County Representative” means the County Judge or his/her designee.

“Deed Restrictions” means restrictive covenants imposed on the Lots by Developer.

“Development” means that single-family residential and commercial development consisting of approximately 167.152 acres to be developed and constructed on the Property pursuant to the County Regulations.

“Effective Date” means the latest date this Agreement is executed by both Developer and the County.

“Estimated Build Out Value” means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Developer and confirmed by the County by considering such factors as density, lot size, estimated square footage of the homes to be built, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that, in the judgment of the County, may impact the value.

“Final Lot Value” means the fair market value of a lot or parcel as a Fully Developed and Improved Lot.

“Force Majeure” means any act that (i) materially and adversely affects the affected Party’s ability to perform the relevant obligations under this Agreement or delays such affected Party’s ability to do so, (ii) is beyond the reasonable control of the affected Party, (iii) is not due to the affected Party’s fault or negligence, and (iv) could not be avoided, by the Party who suffers it, by the exercise of commercially reasonable efforts. Force Majeure shall include: (a) natural phenomena, such as storms, floods, lightning, and earthquakes; (b) pandemics (only to the extent residential construction is halted or prohibited by order of a governmental authority), wars, civil disturbances, revolts, insurrections, terrorism, sabotage, and threats of sabotage or terrorism; (c)

transportation disasters, whether by ocean, rail, land, or air; (d) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (e) fires; and (f) actions or omissions of a governmental authority (including the actions of the County in its capacity as a governmental authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach of its obligations under this Agreement or any applicable law or failure to comply with County Regulations; provided, however, that under no circumstances shall Force Majeure include any of the following events: (g) economic hardship; (h) changes in market condition; (i) any strike or labor dispute involving the employees of the Developer or any Affiliate of the Developer, other than industry or nationwide strikes or labor disputes; (j) weather conditions which could reasonably be anticipated by experienced contractors operating in the relevant location; (k) the occurrence of any manpower, material, or equipment shortages except as such shortages are related to a shutdown or other order by a governmental authority; or (l) any delay, default, or failure (financial or otherwise) of the general contractor or any subcontractor, vendor, or supplier of the Developer.

“Fully Developed and Improved Lots” means a lot or parcel of land for which water supply and wastewater treatment are available, the road and drainage have been completed, and a final plat encompassing such lot has been recorded in the Map Records of Montgomery County, Texas.

“HOA” means the homeowners association(s) for the homes within the Property.

“Indenture” means a trust indenture by and between the County and a trustee bank under which the PID Bonds are secured and funds disbursed.

“Lot(s)” means a parcel of land located within the Property developed for single family residential purposes for which Public Improvements have been constructed and a final plat has been recorded.

“Parties” or “Party” means the County and the Developer as parties to this Agreement.

“Payment Certificate” means a Payment Certificate as set forth in Section 9.03, the form of which is attached as Exhibit “E.”

“PID” means the Meadow Park Public Improvement District authorized and established by the County pursuant to a Certificate of Resolution dated April 12, 2022.

“PID Act” means the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended.

“PID Bonds” means one or more series of special assessment revenue bonds issued by the County pursuant to the PID Act for the payment and/or reimbursement of the Public Improvement Project Costs, including bonds issued to fund construction of the Public Improvements, and, if any, issued to reimburse the Developer for a portion of the costs of the Public Improvements, not previously funded with bond proceeds.

“Plans and Specifications” means the plans and specifications for the Public Improvements that have been approved by the County.

“Project Fund” means the fund by that name created under each Indenture into which PID Bond proceeds shall be deposited.

“Property” means the approximately 167.152 acres of real property located within the County described in Exhibit “A.”

“Public Improvement Project Costs” means the estimated cost of the Public Improvements to be constructed to benefit the land within the PID as set forth in Exhibit “C,” as may be amended pursuant to this Agreement, such costs to be eligible “project costs” as defined in the PID Act.

“Public Improvements” means the public improvements to be developed and constructed or caused to be developed or constructed inside and outside the PID by the Developer to benefit the PID and the Property, which will include improvements described in Exhibit “C.”

“Reimbursement Agreement(s)” means the agreement(s) entered into between the County and the Developer in which Developer agrees to fund the certain costs of the Public Improvements and the County agrees to reimburse the Developer for a portion of such costs of the Public Improvements from the proceeds of Assessments pursuant to the SAP(s) or from future PID Bond proceeds, if any.

“Reimbursement Cap” means the total amount of reimbursement or payment to the Developer for the Public Improvement Project Costs from any source, including the proceeds of PID Bonds, or Assessment Revenues; such amount shall be no more than \$30,000,000.00.

“Section” means a phase of development of the Property upon which Assessments are being levied.

“Service and Assessment Plan” or “SAP” means the service and assessment plan(s) drafted pursuant to the PID Act for the PID and any amendments or updates thereto, adopted and approved by the County, that identifies and allocates the Assessments on benefitted parcels within the PID and sets forth the method of assessment, the parcels assessed, the amount of the Assessments, the Public Improvements, and the method of collection of the Assessment.

ARTICLE I PUBLIC IMPROVEMENT DISTRICT

Section 1.01. Creation. The Developer’s predecessor has submitted a petition to the County to create a PID; such petition contains a list of the Public Improvements to be funded or acquired with the PID Bond Proceeds and the estimated or actual costs of such Public Improvements. Such petition also allows for the County’s levy of Assessments for administration of the PID. Having accepted the petition, the County held a public hearing to consider the creation

of the PID in accordance with the PID Act and approved and adopted a Certificate of Resolution on April 12, 2022 creating the Meadow Park Public Improvement District.

Section 1.02. Issuance of PID Bonds.

(a) Subject to the terms and conditions set forth in this Article I, the County intends to authorize the issuance of PID Bonds in one or more series (each to coincide with the Developer's phased development of the Property) up to an aggregate principal amount of \$30,000,000.00 to reimburse Developer or acquire the Public Improvements benefitting the Property. The Public Improvements to be constructed and funded in connection with the PID Bonds are detailed in Exhibit "C," which may be amended from time to time upon approval of the County Representative, and in the SAP for the PID or any updates thereto. The PID Bond Proceeds from the sale of each series of PID Bonds will be used to pay for or reimburse the Developer for Public Improvements.

(b) The Developer shall complete all Public Improvements within each Section in the PID.

(c) The following conditions must be satisfied prior to the County's consideration of the sale or issuance of PID Bonds:

- (i) The maximum aggregate par amount of the PID Bonds to be issued by the County shall not exceed \$30,000,000.00.
- (ii) The maximum "tax equivalent rate" for the projected annual Assessment for each Section shall be no greater than \$1.25 per \$100 of assessed value at the time of the levy of the Assessment on each Section based on the Estimated Build Out Value of each parcel; such rate limit for each Section is determined at the time of the levy of the Assessments and applies on an individual Assessed Property basis based on Estimated Build Out Value, as will be set forth in more detail in the SAP.
- (iii) The total assessment value to lien ratio is at least 2:1 at the time of the levy of Assessments, and the total assessment value to lien ratio of each series of PID Bonds for each Section is at least 2:1 at the time of the issuance of PID Bonds for each Section.
- (iv) The Developer or its Affiliates shall own all property within a Section of the PID prior to the levy of Assessments for such Section unless the purchaser of such property has executed an agreement or consent with the County agreeing to such Assessments pursuant to Section 1.04 herein.
- (v) Fully Developed and Improved Lots have been established, or the Developer must provide evidence reasonably acceptable to the County of an executed loan document or private equity, or both, in an amount sufficient to achieve Fully Developed and Improved Lots.

- (vi) The County and the HOA shall have entered into an agreement whereby the HOA shall maintain the Public Improvements to the extent provided in Section 2.03.
- (vii) No Event of Default by the Developer has occurred and remains uncured, or no event has occurred which but for notice, the lapse of time, or both, would constitute an Event of Default by the Developer pursuant to this Agreement.

(d) In no event shall the Developer be paid and/or reimbursed for Public Improvement Project Costs in an amount in excess of the Reimbursement Cap.

Section 1.03. Apportionment and Levy of Assessments.

(a) The County intends to levy Assessments on Property located within the PID in accordance herewith and with the SAPs (as such plans are amended, supplemented, or updated from time to time) and the Assessment Ordinances on or before such time as each series of PID Bonds are issued. The County's apportionment and levy of Assessments shall be made in accordance with the PID Act.

(b) Concurrently with the levy of the Assessments on each Section, the Developer and its Affiliates shall execute and deliver a Landowner Consent in the form attached as Exhibit "D" for all land owned or controlled by Developer or its Affiliates within such Section, or otherwise evidence consent to the creation of the PID and the levy of Assessments therein and shall record evidence and notice of the Assessments in the Real Property Records of Montgomery County.

Section 1.04. Transfer of Property. The Developer shall not sell Property within a Section of the PID prior to the County's levy of Assessments in such Section of the PID unless the Developer provides the County with an executed consent to the creation of the PID and the levy of Assessments, in a form reasonably acceptable to the County and its counsel, by the purchaser of such Property. In addition, evidence of any transfer of Property in the PID prior to the levy of Assessments on such Property shall be provided to the County prior to the levy of Assessments on such Property. For a transfer of land by the Developer prior to the levy of Assessments, the County shall require consent of each of the purchasers of Assessed Property to the levy of Assessments on each Property and to the creation of the PID. The Developer understands and acknowledges that the execution of the Landowner Consent will be required from each owner of Assessed Property in order for the County to levy the Assessments and issue PID Bonds.

ARTICLE II
DEVELOPMENT REQUIREMENTS

Section 2.01. Scope of Agreement. This Agreement establishes provisions for the apportionment, levying, and collection of Assessments on the Property within the PID; the construction of the Public Improvements; reimbursement, acquisition, ownership and maintenance of the Public Improvements; and the issuance of PID Bonds for the financing of the Public Improvements benefitting the Property within the PID.

Section 2.02. Project Overview – The Development.

(a) The Developer will undertake or cause the undertaking of the design, development, construction, maintenance, management, use, and operation of the Development, and will undertake the design, development, and construction of the Public Improvements. The Development will consist of the following elements:

- (i) Approximately 612 single family homes;
- (ii) Approximately 102,400 square feet of commercial property.

(b) Subject to the terms and conditions set forth in this Agreement, the Developer shall plan, design, construct, and complete or cause the planning, designing, construction, and completion of the Public Improvements to the County's standards and specifications, as applicable, and subject to the County's approval as provided herein and in accordance with County Regulations, as applicable.

Section 2.03. Operation and Maintenance of Public Improvements.

(a) Upon completion of construction of the Public Improvements, Developer agrees to take any action reasonably required by the County to transfer or otherwise convey the Public Improvements to the County and the public. Such conveyance shall include easements encompassing the Public Improvements. Conveyance of such Public Improvements shall include all bonds, warranties, guarantees, and other assurances of performance, "record" drawings in both hard copy and digital (PDF and CAD) and sealed by the Developer's engineer of record pursuant to Chapter 1001, as amended, Texas Occupations Code, project or operating manuals, and all other documentation related thereto.

(b) The County, at its sole cost, shall maintain the public roads which are Public Improvements and the accompanying roadside ditches.

(c) Pursuant to Section 372.023, Texas Local Government Code, the County shall contract with the HOA, for operation and maintenance responsibilities of all of the Public Improvements except those referenced in (b) above. The HOA shall maintain and operate the parks, detention ponds, retention ponds, open spaces, common areas, open drainage channels/ditches, screening walls, and any other common improvements or appurtenances in the Property not maintained and operated by the County, provided that any Public Improvements maintained by the HOA shall be public improvements.

Section 2.04. Property Acquisition. The Parties acknowledge that, if required, the Developer is responsible for the acquisition of any off-site property rights and interests to allow the Public Improvements to be constructed to serve the Property. Developer shall use commercially reasonable efforts to obtain all third-party rights-of-way, consents, or easements, if any, needed to construct the off-site Public Improvements. The Developer shall provide evidence of costs, maps, locations, and size of infrastructure to the County and obtain the County's consent prior to such acquisition of third-party rights-of-way, consents, or easements needed to construct the off-site Public Improvements.

Section 2.05. Plat Review Fees. Development of the Property shall be subject to payment to the County of the reasonable fees and charges applicable to the County's plat review and approval process according to the fee schedule adopted by the County and in effect at the time of platting.

Section 2.06. Plan Review and Permit Fees. Development of the Property shall be subject to payment to the County of the reasonable fees and charges applicable to the County's review of Plans and Specifications, if any, and the issuance of permits (including building permits) for construction of the Public Improvements according to the fee schedule adopted by the County at the time of plan review and permit issuance.

Section 2.07. Inspection Fees. Development of the Property shall be subject to the payment to the County of any inspection fees according to the then current fee schedule adopted by the County.

Section 2.08. Maintenance Bond for Roadway Improvements. Developer shall submit to the County the appropriate maintenance bond with surety *or* a bond without surety and letter of credit in the amount specified in a platting deficiency letter provided by the Montgomery County Engineering Office.

Section 2.09. Conflict. Notwithstanding the foregoing provisions of this Article, in the event of a conflict between this Agreement and the County Regulations, this Agreement shall prevail.

ARTICLE III CONSTRUCTION OF THE PUBLIC IMPROVEMENTS

Section 3.01. Designation of Construction Manager, Construction Engineers.

(a) Prior to construction of any Public Improvement, Developer shall make, or cause to be made, application for any necessary permits and approvals required by County to be issued for the construction of the Public Improvements and shall obtain or obligate each general contractor, architect, and consultants who work on the Public Improvements to obtain all applicable permits, licenses, or approvals as required by the County. The Developer shall require or cause the design, inspection, and supervision of the construction of the Public Improvements to be undertaken in accordance with County Regulations.

(b) The Developer shall design and construct or cause the design and construction of the Public Improvements, together with and including the acquisition, at its sole costs, of any and all easements or fee simple title to such land necessary to provide for and accommodate the Public Improvements.

(c) Developer shall comply, or shall require its contractors to comply, with all local and state laws and regulations regarding the design and construction of the Public Improvements applicable to similar facilities constructed in the County, including, but not limited to, the requirement for maintenance bonds for roadway improvements described above in Section 2.08.

(d) Upon completion of construction of any portion of the Public Improvements, Developer shall provide County with a final cost summary of all Public Improvement Project Costs incurred and paid associated with the construction of that portion of the Public Improvements and provide proof that all amounts owing to contractors and subcontractors have been paid in full, evidenced by the "all bills paid" affidavits and lien releases executed by Developer and/or its contractors with regard to that portion of the Public Improvements. Evidence of payment to the applicable contractors and subcontractors shall be provided prior to the funding or reimbursement of the costs of any portion of the Public Improvements.

(e) All Public Improvements shall be constructed and dedicated to the County, subject to the provisions of Section 2.03.

(f) The Developer shall dedicate or convey by final plat or separate instrument, without cost to the County, all property rights necessary for the construction, operation, and maintenance of Public Improvements upon final acceptance by the County.

Section 3.02. Construction Agreements. The Construction Agreements shall be let in the name of the Developer. The Developer's engineers shall prepare and provide or cause the preparation and provision of all contract specifications and necessary related documents. The Developer shall provide all construction documents for the Public Improvements and shall acknowledge that the County has no obligations and liabilities thereunder.

Section 3.03. Administration of Contracts. The Developer or its designee (which shall be the Developer's engineer) shall administer the contracts. The Public Improvement Project Costs, which are estimated in Exhibit "C," shall be paid by the Developer or caused to be paid by the Developer.

(a) The following requirements apply to Construction Agreements for Public Improvements:

- (i) Plans and Specifications shall comply with all County Regulations and all Plans and Specification shall be reviewed and approved by the County.
- (ii) Each Construction Agreement shall provide that the contractor is an independent contractor, independent of and not the agent of the County, and that the contractor is responsible for retaining, and shall retain, the services of necessary and appropriate architects and engineers.

(b) County's Role. The County shall have no responsibility for the cost of planning, design, engineering, construction, furnishing, or equipping the Public Improvements (before, during, or after construction) except to the extent of the reimbursement or funding of the Public Improvements Project Costs as set forth in this Agreement. The Developer will not hold the County responsible for any costs of the Public Improvements other than the reimbursements or funding described in this Agreement. The County shall have no liability for any claims that may arise out of the design or construction of the Public Improvements, and the Developer shall cause all of its contractors, architects, engineers, and consultants to agree in writing that they will look solely to the Developer, not to the County, for payment of all costs and valid claims associated with construction of the Public Improvements.

Section 3.04. Construction Standards and Inspection of Roadway Improvements. To the extent applicable to the specific Public Improvement, the Public Improvements will be installed within the public rights-of-way or in easements granted to the County. Such rights-of-way or easements may be granted at the time of final platting in the final plat or by separate instrument. The Public Improvements shall be constructed and inspected in accordance with applicable state law, County Regulations, and all other applicable requirements, including those imposed by any other governing body or entity with jurisdiction over the Public Improvements, and this Agreement, provided, however, that if there is any conflict among the regulations of the governing body or entity with jurisdiction over the Public Improvements being constructed, the County Regulations shall control.

Section 3.05. Public Improvements to be Granted to the County – Title Evidence. The Developer shall furnish to the County a preliminary title report for land with respect to the Public Improvements, including any rights-of-way, easements, and open spaces, if any, to be acquired and accepted by the County from the Developer and not previously dedicated or otherwise conveyed to the County, for review and approval at least 30 calendar days prior to the transfer of title of a Public Improvement to the County. The County Representative shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the County, could materially affect the County's use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the County Representative does not approve the preliminary title report, the County shall not be obligated to accept title to the Public Improvement until the Developer has cured such objections to title to the satisfaction of the County Representative.

Section 3.06. Public Improvement Constructed on County Land or the Property. If the Public Improvement is on land owned by the County, the County hereby grants to the Developer a temporary easement to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Public Improvement. If the Public Improvement is on land owned by the Developer, the Developer shall dedicate easements by plat or shall execute and deliver to the County such access and maintenance easements as the County may reasonably require in recordable form, and the Developer hereby grants to the County a permanent access and maintenance easement (pending acquisition and acceptance) to enter upon such land for purposes related to inspection and maintenance of the Public Improvement. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the County title to property and/or easements related to the Public Improvement as required by this Agreement or as should in the County's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Public Improvement. The provisions for inspection and acceptance of such Public Improvement otherwise provided herein shall apply. The grant of any easements to the County must be in a form reasonably acceptable to the County Attorney.

Section 3.07. Revisions to Scope and Cost of Public Improvements. The Public Improvement Project Costs, as set forth in Exhibit "C," may be modified or amended from time to time upon the approval of the County Commissioners Court, provided that the total cost of the Public Improvements shall not exceed such amounts as set forth in the applicable SAP.

Section 3.08. Title and Mechanic's Liens.

(a) Title. The Developer agrees that the Public Improvements shall not have a lien or cloud on title upon their dedication to and acceptance by the County.

(b) Mechanic's Liens. Developer shall not create nor allow or permit any liens, encumbrances, or charges of any kind whatsoever against the Public Improvements arising from any work performed by any contractor by or on behalf of the Developer. The Developer shall not permit any claim of lien made by any mechanic, materialman, laborer, or other similar liens to stand against the Public Improvements for work or materials furnished to the Developer in connection with any construction, improvements, renovation, maintenance, or repair thereof made by the Developer or any contractor, agent, or representative of the Developer. The Developer shall cause any such claim of lien to be fully discharged no later than thirty (30) days after the Developer's receipt of written notice of the filing thereof.

Section 3.09. County Consents. Any consent or approval by or on behalf of the County required in connection with the design, construction, improvement, or replacement of the Public Improvements or otherwise under this Agreement shall not be unreasonably withheld, delayed, or conditioned. Any review associated with any determination to give or withhold any such consent or approval shall be conducted in a timely and expeditious manner with due regard to the cost to the Developer associated with delay.

Section 3.10. Right of the County to Make Inspection.

(a) At any time during the construction of the Public Improvements, the County shall have the right to enter the Property for the purpose of inspection of the progress of construction on the Public Improvements; provided, however, the County Representative shall comply with reasonable restrictions generally applicable to all visitors to the Project that are imposed by the Developer or its general contractor or subcontractors. The Developer shall pay the County's costs for the retention of a third-party inspector.

(b) Inspection of the construction of all Public Improvements may be by the County Representative and/or his designee. In accordance with Section 2.07, the Developer shall pay the inspection fee which may be included as a Public Improvement Project Cost.

(c) County may enter the Property in accordance with customary County procedures to make any repairs or perform any maintenance of Public Improvements which the County has accepted for maintenance. If, during construction of the Public Improvements, the Developer is in default under this Agreement beyond any applicable cure period or in the event of an emergency which is not being timely addressed, the County may enter the Property to make any repairs to the Public Improvements that have not been accepted for maintenance by the County, of every kind or nature, which the Developer is obligated under this Agreement to repair or maintain but which the Developer has failed to perform after the expiration of ten (10) Business Days after notice is given by the County (other than in the case of an emergency in which notice is impossible or impractical). The Developer shall be obligated to reimburse the County the reasonable costs incurred by the County for any such repairs. Nothing contained in this paragraph

shall be deemed to impose on the County any obligation to actually make repairs or alterations on behalf of the Developer.

Section 3.11. Competitive Bidding. The construction of the Public Improvements (which are funded from Assessments) is anticipated to be exempt from competitive bidding pursuant to Texas Local Government Code Section 252.022(a)(9). In the event that the actual costs of the Public Improvements do not meet the parameters for exemption from the competitive bid requirement, then either competitive bidding or alternative delivery method may be utilized by the County as allowed by Applicable Law.

Section 3.12. Homeowner's Association. Developer will create Deed Restrictions and a homeowner's association ("HOA") that will enforce the Deed Restrictions. In the event the HOA becomes insolvent or fails to maintain proper documentation and filings with the State of Texas as required and loses its authority to operate and transact business as a property owner's association in the State of Texas, then the County shall have the right to, but is not obligated to, enforce the Deed Restrictions and other matters as set forth in this Agreement and shall have all authority granted to the HOA by virtue of this document and related Property Owner's Association Bylaws, including, but not limited to, the authority to impose and collect maintenance fees and other necessary fees and assessments to further the upkeep of Public Improvements as stipulated herein and as deemed necessary by the County.

(a) The articles of the HOA shall require homeowner assessments sufficient to meet the necessary annual cost of the Public Improvements to be maintained by the HOA. Further, the articles shall provide that the HOA shall be required to expend money for the repairs and maintenance of all Public Improvements under its jurisdiction.

(b) Prior to the issuance of the first series of PID Bonds, the HOA and County shall enter into a maintenance agreement, in a form mutually agreeable to the County and HOA, necessary to require the maintenance and operation of the parks, detention ponds, retention ponds and other open space, so that the County is not responsible for the maintenance of any Public Improvements other than the public roads and roadside ditches.

(c) A copy of the HOA bylaws shall be provided to the County prior to the County accepting the Public Improvements to serve the first phase of Development. However, the County will not be responsible for the enforcement of the HOA bylaws.

(d) In the event the HOA fails to properly maintain the Public Improvements for which such obligation has been assigned in accordance with Section 2.03, Developer acknowledges and consents to the County each year assessing the Lots through the PID in amounts sufficient to fund the maintenance of such Public Improvements.

ARTICLE IV TERMINATION EVENTS

Section 4.01. Developer Termination Events. The Developer may terminate this Agreement as to a Section of Development if the County does not levy Assessments and enter into a Reimbursement Agreement for such Section of the Project.

Section 4.02. County Termination Events. The County may terminate this Agreement and any Reimbursement Agreement with respect to the applicable Section and any remaining Section, upon an uncured Event of Default by the Developer pursuant to Article VI herein.

Section 4.03. Termination Procedure. If either Party determines that it wishes to terminate this Agreement pursuant to this Article, such Party must deliver a written notice to the other Party specifying in reasonable detail the basis for such termination and electing to terminate this Agreement. Upon such a termination, the Parties hereto shall have no duty or obligation one to the other under this Agreement, including the reimbursement of any of Developer's costs that were previously advanced or incurred or the levy of assessments on any remaining Sections; provided, however, that as of the date of termination, any Public Improvements completed and accepted by the County shall still be subject to reimbursement. Upon termination, the Developer shall have no claim or right to any further payments for Public Improvement Project Costs other than as set forth herein.

ARTICLE V TERM

This Agreement shall terminate upon the earlier of:

- (a) The expiration of the Assessments levied to reimburse the Public Improvements, and all PID Bond proceeds or Assessment revenues pursuant to a Reimbursement Agreement have been expended for reimbursement of all of the Public Improvements, and the Developer has been reimbursed for all completed and accepted Public Improvements up to the Reimbursement Cap, but in the amount set forth in the Service and Assessment Plan;
- (b) An Event of Default under Article VI pursuant to which the non-defaulting Party exercises its right to terminate this Agreement; or
- (c) The occurrence of a termination event under Article IV pursuant to which a Party has exercised its right to terminate this Agreement.

ARTICLE VI DEFAULT AND REMEDIES

Section 6.01. Developer Default.

Each of the following events shall be an "Event of Default" by the Developer under this Agreement, once the applicable time to cure, if any, has expired:

- (a) The Developer shall fail to pay to the County any monetary sum hereby required of it as and when the same shall become due and payable and shall not cure such default within thirty (30) calendar days after the later of the date on which written notice thereof is given by the County to the Developer, as provided in this Agreement;
- (b) The Developer shall fail in any respect to maintain any of the insurance or bonds required by this Agreement; provided, however, that if a contractor fails to maintain any of the

insurance or bonds required by this Agreement, the Developer shall have thirty (30) calendar days to cure from the date of expiration of such insurance or bonds;

(c) The Developer shall fail to comply with any term, provision, or covenant of this Agreement (other than the payment of money to the County), and shall not cure such failure within thirty (30) calendar days after written notice thereof is given by the County to the Developer;

(d) The filing by Developer of a voluntary proceeding under present or future bankruptcy, insolvency, or other laws respecting debtor's rights;

(e) The consent by Developer to an involuntary proceeding under present or future bankruptcy, insolvency, or other laws respecting debtor's rights;

(f) The entering of an order for relief against Developer or the appointment of a receiver, trustee, or custodian for all or a substantial part of the Property or assets of Developer in any involuntary proceeding, and the continuation of such order, judgment, or decree unstayed for any period of ninety (90) consecutive days;

(g) The failure by Developer or any Affiliate to pay Assessments on Property owned by the Developer and/or any Affiliates within the PID if such failure is not cured within thirty (30) calendar days after written notice by the County; or

(h) Any representation or warranty confirmed or made in this Agreement by the Developer was untrue as of the Effective Date.

Section 6.02. Notice and Cure Period.

(a) Before any Event of Default under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such Event of Default shall notify, in writing, the Party alleged to have failed to perform the alleged Event of Default and shall demand performance. Except with respect to cure periods set forth in Section 6.01 above, which shall be controlling, no breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within fifteen (15) calendar days of the receipt of such notice (or thirty (30) calendar days in the case of a monetary default), with completion of performance within ninety (90) calendar days.

(b) Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed by Force Majeure, the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing Force Majeure events shall deliver written notice of the commencement of any such delay resulting from such Force Majeure event and the length of the Force Majeure event is reasonably expected to last not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a Force Majeure event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in

this Article. The number of days a Force Majeure event is in effect shall be determined by the County based upon commercially reasonable standards.

(c) County's Remedies.

With respect to the occurrence of an Event of Default, the County may pursue the following remedies:

- (i) The County may pursue any legal or equitable remedy or remedies, including, without limitation, specific performance, damages, and termination of this Agreement. The County shall not terminate this Agreement unless it delivers to the Developer a second notice expressly providing that the County will terminate within thirty (30) additional Business Days. Termination or non-termination of this Agreement upon a Developer Event of Default shall not prevent the County from suing the Developer for specific performance, damages, actual damages, excluding punitive, special, and consequential damages, injunctive relief, or other available remedies with respect to obligations that expressly survive termination. In the event the Developer fails to pay any of the expenses or amounts or perform any obligation specified in this Agreement, then to the extent such failure constitutes an Event of Default hereunder, the County may, but shall not be obligated to do so, pay any such amount or perform any such obligations and the amount so paid and the reasonable out of pocket costs incurred by the County in said performance shall be due and payable by the Developer to the County within thirty calendar (30) days after the Developer's receipt of an itemized list of such costs.
- (ii) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing at law or in equity.
- (iii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

Section 6.03. County Default.

Each of the following events shall be an "Event of Default" by the County under this Agreement, once the applicable time to cure, if any, has expired:

(a) So long as the Developer has complied with the terms and provisions of this Agreement, the County shall fail to pay to the Developer any monetary sum hereby required of it and shall not cure such default within thirty (30) calendar days after the receipt of written notice thereof by the County from the Developer.

(b) The County shall fail to comply in any material respect with any term, provision, or covenant of this Agreement, other than the payment of money, and shall not cure such failure

within ninety (90) calendar days after written notice thereof is given by the Developer to the County.

Section 6.04. Developer's Remedies.

(a) The Developer may pursue any legal or equitable remedy or remedies, including, without limitation, specific performance, damages, and termination of this Agreement. The Developer shall not terminate this Agreement unless it delivers to the County a second notice expressly providing that the Developer will terminate within thirty (30) additional Business Days. Termination or non-termination of this Agreement upon a County Event of Default shall not prevent the Developer from suing the County for specific performance, damages, actual damages, excluding punitive, special, and consequential damages, injunctive relief, or other available remedies with respect to obligations that expressly survive termination. In the event the County fails to perform any obligation specified in this Agreement, then to the extent such failure constitutes an Event of Default hereunder, the Developer may, but shall not be obligated to do so, perform any such obligations and the amount so paid shall be due and payable by the County to the Developer within thirty (30) calendar days after County's receipt of an itemized lists of costs..

(b) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing.

(c) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

Section 6.05. Limited Waiver of Immunity. The County and the Developer hereby acknowledge and agree that to the extent this Agreement is subject to the provisions of Subchapter I of Chapter 271, Texas Local Government Code, as amended, the County's immunity from suit is waived only as set forth in such statute.

Section 6.06. Limitation on Damages. In no event shall any Party have any liability under this Agreement for any exemplary or consequential damages.

Section 6.07. Waiver. Forbearance by the non-defaulting Party to enforce one or more of the remedies herein provided upon the occurrence of an Event of Default by the other Party shall not be deemed or construed to constitute a waiver of such default. One or more waivers of a breach of any covenant, term, or condition of this Agreement by either Party hereto shall not be construed by the other Party as a waiver of a different or subsequent breach of the same covenant, term, or condition. The consent or approval of either Party to or of any act by the other Party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any other subsequent similar act.

**ARTICLE VII
INSURANCE**

With no intent to limit any contractor's liability or obligation for indemnification, the Developer shall maintain or cause to be maintained, by the persons constructing the Public

Improvements, certain insurance, as provided below in full force and effect at all times during construction of the Public Improvements.

(a) With regard to the obligations of this Agreement, the Developer shall obtain and maintain in full force and effect at its expense, or shall cause each contractor to obtain and maintain at their expense, the following policies of insurance and coverage:

- (i) Commercial general liability insurance insuring the County, contractor, and the Developer against liability for injury to or death of a person or persons and for damage to property occasioned by or arising out of the activities of Developer, the contractor, the County, and their respective officers, directors, agents, contractors, or employees, in the amount of one million dollars (\$1,000,000) per occurrence or a limit equal to the amount of the contract amount, two million dollars (\$2,000,000) general aggregate bodily injury and property damage. The contractor may procure and maintain a Master or Controlled Insurance policy to satisfy the requirements of this section, which may cover other property or locations of the contractor and its affiliates, so long as the coverage required in this section is separate;
- (ii) Workers' Compensation insurance as required by law; and
- (iii) Business automobile insurance covering all operations of the contractor pursuant to the Construction Agreements involving the use of motor vehicles, including all owned, non-owned, and hired vehicles with minimum limits of not less than one million dollars (\$1,000,000) combined single limit for bodily injury, death, and property damage liability.

ARTICLE VIII INDEMNIFICATION

DEVELOPER AGREES TO DEFEND, INDEMNIFY, AND HOLD THE COUNTY AND ITS RESPECTIVE OFFICERS, AGENTS, AND EMPLOYEES HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, FINES, PENALTIES, COSTS, AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE, OR OTHER HARM OR VIOLATIONS FOR WHICH RECOVERY OF DAMAGES, FINES, OR PENALTIES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY DEVELOPER'S CONSTRUCTION OF THE PUBLIC IMPROVEMENTS, VIOLATIONS OF LAW, OR BY ANY NEGLIGENT, GROSSLY NEGLIGENT, INTENTIONAL, OR STRICTLY LIABLE ACT OR OMISSION OF THE CONTRACTOR, ITS OFFICERS, AGENTS, EMPLOYEES, INVITEES, SUBCONTRACTORS, OR SUB-SUBCONTRACTORS AND THEIR RESPECTIVE OFFICERS, AGENTS, OR REPRESENTATIVES, OR ANY OTHER PERSONS OR ENTITIES FOR WHICH THE CONTRACTOR IS LEGALLY RESPONSIBLE IN THE PERFORMANCE OF THIS CONTRACT. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OF THE COUNTY, AND ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE

CONTRACTORS. THE COUNTY DOES NOT WAIVE ANY GOVERNMENTAL IMMUNITY OR OTHER DEFENSES AVAILABLE TO IT UNDER TEXAS OR FEDERAL LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

DEVELOPER AT ITS OWN EXPENSE IS EXPRESSLY REQUIRED TO DEFEND COUNTY AGAINST ALL SUCH CLAIMS. COUNTY RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, COUNTY IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY COUNTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND COUNTY OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY COUNTY PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF COUNTY'S WRITTEN NOTICE THAT COUNTY IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN THE REQUIRED TIME PERIOD, COUNTY SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF AND DEVELOPER SHALL BE LIABLE FOR ALL COSTS INCURRED BY THE COUNTY.

ARTICLE IX PAYMENT OF PUBLIC IMPROVEMENTS

Section 9.01. Overall Requirements.

(a) The County shall not be obligated to provide funds for any Public Improvement except from the proceeds of the PID Bonds or from Assessments pursuant to a Reimbursement Agreement. The County makes no warranty, either express or implied, that the proceeds of the PID Bonds available for the payment or reimbursement of the Public Improvement Project Costs or for the payment of the cost to construct or acquire a Public Improvement by the County will be sufficient for the construction or acquisition of all of the Public Improvements. Any costs of the Public Improvements in excess of the available PID Bond proceeds or Assessments pursuant to a Reimbursement Agreement shall not be paid or reimbursed by the County. The Developer acknowledges and agrees that any lack of availability of monies in the Project Funds established under the Indentures to pay the costs of the Public Improvements shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Public Improvements required by this Agreement, or any other agreement to which the Developer is a party, or any governmental approval to which the Developer or Property is subject.

(b) Upon written acceptance of a Public Improvement, and subject to Section 2.03(c) above, the County shall be responsible for all operation and maintenance, subject to any applicable maintenance-bond period, of such Public Improvement, including all costs thereof and relating thereto.

(c) The County's obligation with respect to the reimbursement or payment of the Public Improvement Project Costs as finally set forth in the SAP shall be limited to the lower of

actual costs or the available PID Bond proceeds or Assessment revenues, and shall be payable solely from amounts on deposit in the Project Funds from the sale of the PID Bonds as provided herein and in the Indentures, or Assessments collected for the reimbursement or payment of such costs pursuant to the Reimbursement Agreement(s). The Developer agrees and acknowledges that it is responsible for all costs and all expenses related to the Public Improvements in excess of the available PID Bond proceeds.

(d) The County shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment. Any such loss may diminish the amounts available in the Project Fund to pay or reimburse the Public Improvement Project Costs in the PID. The obligation of Developer to pay the Assessments is not in any way dependent on the availability of amounts in the Project Fund to pay for all or any portion of the Public Improvements Project Costs hereunder.

Section 9.02. Remaining Funds after Completion of a Public Improvement. If, upon the completion of construction of a Public Improvement and payment or reimbursement for such Public Improvement, there are Cost Underruns, any remaining budgeted cost(s) may be available to pay Cost Overruns on any other Public Improvement with the written approval of the County Representative, such approval not to be unreasonably withheld, at completion of the Public Improvements for each Section and provided that all Public Improvements for such Section, as set forth in the SAP, are undertaken at least in part. The elimination of a category of Public Improvements in a Section as set forth in the SAP will require an amendment to the SAP. Upon receipt of all acceptance letters from the County for the Public Improvements within an improvement category as set forth in the SAP, any Cost Underruns from that category may be released to pay for Cost Overruns in another Public Improvement category, as approved by the County Representative.

Section 9.03. Payment Process for Public Improvements.

(a) The County shall authorize payment or reimbursement of the Public Improvement Project Costs from PID Bond proceeds or from Assessments collected in the PID as set forth below. The Developer shall submit a Payment Certificate to the County (no more frequently than monthly) for Public Improvement Project Costs as approved by the County Representative. The form of the Payment Certificate is set forth in Exhibit "E," as may be modified by the applicable Indenture or Reimbursement Agreement. The County shall review the sufficiency of each Payment Certificate with respect to compliance with this Agreement, compliance with applicable law, compliance with the SAP, and compliance with Plans and Specifications. The County shall review and approve each Payment Certificate within thirty (30) Business Days of receipt thereof and upon approval, certify the Payment Certificate pursuant to the provisions of the applicable Indenture or Reimbursement Agreement, and payment shall be made to the Developer or its designee pursuant to the terms of the applicable Indenture or Reimbursement Agreement, provided that funds are available under the applicable Indenture or Reimbursement Agreement. Notwithstanding the foregoing, the County shall review and approve the first Payment Certificate within forty-five (45) Business Days of receipt thereof. If a Payment Certificate is approved only in part, the County shall specify the extent to which the Payment Certificate is approved and payment for such partially approved Payment Certificate shall be made to the Developer pursuant

to the terms of the applicable Indenture or Reimbursement Agreement, provided that funds are available under the applicable Indenture or Reimbursement Agreement.

(b) If the County requires additional documentation, timely disapproves, or questions the correctness or authenticity of the Payment Certificate, the County shall deliver a detailed notice to the Developer within thirty (30) Business Days of receipt thereof. Payment with respect to disputed portion(s) of the Payment Certificate shall not be made until the Developer and the County have jointly settled such dispute or additional information has been provided to the County's reasonable satisfaction.

(c) The County shall reimburse the Public Improvement Project Costs, as set forth in Exhibit "C" and the SAP, from funds available pursuant to the applicable Indenture or Reimbursement Agreement.

(d) Reimbursement to the Developer and the County for administrative costs relating to the creation of the PID, the levy of assessments, and issuance of the PID Bonds may be distributed at closing of the applicable series of PID Bonds pursuant to a Closing Disbursement Request, in the form attached as Exhibit "F."

Section 9.04. Public Improvements Reimbursement from Assessment Fund in the Event of a Non-Issuance of PID Bonds.

(a) The County intends to levy Assessments for each Section to fund or reimburse the Public Improvement Project Costs as set forth in the SAP. Reimbursement shall be made pursuant to the terms and provisions of one or more Reimbursement Agreements. Such Reimbursement Agreements shall set forth the terms of the annual reimbursement for the costs of the Public Improvements. These Reimbursement Agreement obligations may, in the County's discretion, be reimbursed through the issuance of PID Bonds by the County once the parameters set forth in Section 1.02(c) can be met.

(b) Reimbursement or payment of the costs of the Public Improvements shall only be made from the levy of Assessments within the PID as set forth herein.

(c) The term, manner, and place of payment or reimbursement to the Developer under this Section shall be set forth in the Reimbursement Agreement.

(d) Reimbursement or payment shall be made only for the costs of the Public Improvements as set forth in this Agreement, the SAP, or in the Reimbursement Agreement, as approved by the County. Any additional public improvements other than the Public Improvements constructed by the Developer shall not be subject to payment or reimbursement under the terms of this Agreement.

Section 9.05. Rights to Audit.

(a) The County shall have the right to audit, upon reasonable notice and at the County's own expense, records of the Developer with respect to the expenditure of funds to pay Public Improvement Project Costs. Upon written request by the County, the Developer shall give the County or its agent, access to those certain records controlled by, or in the direct or indirect

possession of, the Developer (other than records subject to legitimate claims of attorney-client privilege) with respect to the expenditure of Public Improvement Project Costs and permit the County to review such records in connection with conducting a reasonable audit of such fund and account. The Developer shall make these records available to the County electronically or at a location that is reasonably convenient for County staff.

(b) The County and the Developer shall reasonably cooperate with the assigned independent auditors (internal or external) in this regard and shall retain and maintain all such records for at least 3 years from the date of completion of construction of the Public Improvements. All audits must be diligently conducted and once begun, no records pertaining to such audit shall be destroyed until such audit is completed.

ARTICLE X REPRESENTATIONS AND WARRANTIES

Section 10.01. Representations and Warranties of County.

(a) The County makes the following representations and warranties for the benefit of the Developer:

- (i) Due Authority; No Conflict. The County represents and warrants that this Agreement has been approved by official action of the County Commissioners Court of the County in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act). The County has all requisite power and authority to execute this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by the County and constitute legal, valid, and binding obligations enforceable against the County in accordance with the terms subject to principles of governmental immunity and the enforcement of equitable rights. The consummation by the County of the transactions contemplated hereby is not in violation of or in conflict with, nor does it constitute a default under, any of the terms of any agreement or instrument to which the County is a Party, or by which the County is bound, or of any provision of any Applicable Law, ordinance, rule or regulation of any governmental authority or of any provision of any applicable order, judgment or decree of any court, arbitrator or governmental authority.
- (ii) Due Authority; No Litigation. No litigation is pending or, to the knowledge of the County, threatened in any court to restrain or enjoin the construction of the Public Improvements or the County's payment and reimbursement obligations under this Agreement, or otherwise contesting the powers of the County or the authorization of this Agreement or any agreements contemplated herein.

Section 10.02. Representations and Warranties of Developer.

(a) The Developer makes the following representations, warranties, and covenants for the benefit of the County:

- (i) Due Organization and Ownership. The Developer is a Texas limited partnership validly existing under the laws of the State of Texas and is duly qualified to do business in the State of Texas; and the person executing this Agreement on its behalf is authorized to enter into this Agreement.
- (ii) Due Authority: No Conflict. The Developer has all requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by the Developer and constitute the Developer's legal, valid, and binding obligations enforceable against the Developer in accordance with their terms. The consummation by the Developer of the transactions contemplated hereby is not in violation of or in conflict with, nor does it constitute a default under, any term or provision of the organizational documents of the Developer, or any of the terms of any agreement or instrument to which the Developer is a party, or by which the Developer is bound, or of any provision of any applicable law, ordinance, rule, or regulation of any governmental authority or of any provision of any applicable order, judgment, or decree of any court, arbitrator, or governmental authority.
- (iii) Consents. No consent, approval, order, or authorization of, or declaration or filing with any governmental authority is required on the part of the Developer in connection with the execution and delivery of this Agreement or for the performance of the transactions herein contemplated by the respective Parties hereto.
- (iv) Litigation/Proceedings. To the best knowledge of the Developer, after reasonable inquiry, there are no pending or, to the best knowledge of the Developer, threatened judicial, municipal or administrative proceedings, consent decree, or judgments which might affect the Developer's ability to consummate the transaction contemplated hereby, nor is there a preliminary or permanent injunction or other order, decree, or ruling issued by a governmental entity, and there is no statute, rule, regulation, or executive order promulgated or enacted by a governmental entity that is in effect which restrains, enjoins, prohibits, or otherwise makes illegal the consummation of the transactions contemplated by this Agreement.
- (v) Legal Proceedings. There is no action, proceeding, inquiry, or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending or, to the knowledge of the Developer, threatened against or affecting the Developer, any of the principals of the

Developer, and any key person or their respective Affiliates and representatives, of which the outcome would (a) adversely affect the validity or enforceability of, or the authority or ability of the Developer under, this Agreement to perform its obligations under this Agreement, or (b) have a material and adverse effect on the consolidated financial condition or results of operations of the Developer or on the ability of the Developer to conduct its business as presently conducted or as proposed or contemplated to be conducted.

- (vi) Ownership. The Developer represents that it or one or more of its Affiliates will be the sole owners of the Property within the PID at the time of its creation. The Developer shall consent to the levy of Assessments in substantially the form of the Landowner Consent attached hereto as Exhibit "D."

ARTICLE XI PROVISIONS FOR DEVELOPER

Section 11.01. Waiver of Actions Under Private Real Property Rights Preservation Act. The Developer hereby waives its right, if any, to assert any causes of action against the County accruing under the Private Real Property Rights Preservation Act, Chapter 2007, Texas Government Code (the "Act"), that the County's execution or performance of this Agreement or any authorized amendment or supplements thereto may constitute, either now or in the future, a "Taking" of Developer's, Developer's grantee's, or a grantee's successor's "Private real property," as such terms are defined in the Act, provided, however, that this waiver does not apply to, and the Developer and Developer's grantees and successors do not waive their rights under the Act to assert a claim under the Act, for any action taken by the County beyond the scope of this Agreement which otherwise may give rise to a cause of action under the Act.

ARTICLE XII GENERAL PROVISIONS

Section 12.01. Notices. Any notice, communication, or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile or other electronic transmittal, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as may be specified in writing by any Party hereto to the other Parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent, and received for all purposes at such time as it is actually received by the addressee (with return receipt, the delivery receipt, or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

To the County:	Montgomery County Commissioner Precinct 4 23628 Roberts Road New Caney, Texas 77357 Telephone: 936-521-8919
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With a copy to: Montgomery County Attorney's Office
Attn: B. D. Griffin
501 N. Thompson, Suite 300
Conroe, Texas 77301
Telephone: 936-539-7828
Email: bd.griffin@mctx.org

To the Developer: Meadow Park, Ltd.
23449 Highway 59
Porter, Texas 77357
Email: mark@netinass.com

With a copy to: Coats | Rose, P.C.
Attn: Timothy Green
9 Greenway Plaza, Suite 1000
Houston, Texas 77046
Telephone: 713-651-0111
Email: tgreen@coatsrose.com

Section 12.02. Make-Whole Provision. If in any calendar year the County issues debt obligations that would be qualified tax-exempt obligations but for the issuance or proposed issuance of PID Bonds, the Developer shall pay to the County a fee to compensate the County for the interest savings the County would have achieved had the debt issued by the County been qualified tax-exempt obligations (the "PID Bond Fee"). Prior to issuance of any PID Bonds, the County's financial advisor shall calculate the PID Bond Fee based on the issued and planned debt obligations for the County and shall notify the Developer of the total amount due prior to the issuance of the PID Bonds. The Developer agrees to pay the PID Bond Fee to the County within ten (10) Business Days after receiving notice from the County of the amount of PID Bond Fee due to the County. If the County has not forgone the ability to issue a series of obligations as qualified tax-exempt obligations, the PID Bond Fee shall be held in a segregated account of the County, and if the total amount of debt obligations sold or entered into by the County in the calendar year in which the PID Bonds are issued are less than the bank qualification limits (currently \$10 million per calendar year), then the PID Bond Fee shall be returned to the Developer. The County shall not be required to sell any series of PID Bonds until the Developer has paid the estimated PID Bond Fee.

If the County is planning to issue debt obligations as qualified tax-exempt obligations prior to the issuance of PID Bonds in any calendar year, the County may (but is not obligated to) notify the Developer that it is planning to issue qualified tax-exempt obligations that may limit the amount of debt that the County can issue in a calendar year. If the County issues such notice to Developer, in connection with the delivery of such notice, the County's financial advisor shall provide a calculation of the interest savings that the County would achieve by issuing the obligations the County plans to issue in the year as qualified tax-exempt obligations as opposed to non-qualified tax-exempt obligations. If following the receipt of such notice the Developer asks the County to forego designating the obligations as qualified tax-exempt obligations in order to preserve capacity for PID Bonds, the Developer shall pay to the County a fee to compensate the County for the interest savings the County would have achieved had the debt issued by the County

been qualified tax-exempt obligations. The Developer agrees to pay the PID Bond Fee to the County within ten (10) Business Days after receiving notice from the County of the amount of PID Bond Fee due to the County. Upon receipt of the PID Bond Fee, the County agrees not to designate the obligations planned for issuance as qualified tax-exempt obligations. Such payment is compensation to the County for choosing to forego the designation of obligations as qualified tax-exempt obligations, and the PID Bond Fee may be used for any lawful purpose of the County. The County shall include language similar to this Section 12.02 in any agreement it enters into with a developer or landowner where the issuance of public improvement district bonds is contemplated.

Section 12.03. Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. The obligations, requirements, or covenants to develop the Property, including construction of the Public Improvements may be assigned to (i) an Affiliate, or (ii) the purchaser of all or any portion of the Property, without the prior written consent of the County Representative. Each assignment shall be in writing executed by Developer and the assignee and shall obligate the assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. No assignment by Developer shall release Developer from any liability that resulted from an act or omission by Developer that occurred prior to the effective date of the assignment unless the County Representative approves the release in writing. Developer shall maintain written records of all assignments made by Developer to assignees, including a copy of each executed assignment and the assignee's notice information as required by this Agreement, and, upon written request from the County, any Party or assignee shall provide a copy of such records to the requesting person or entity, and this obligation shall survive the assigning Party's sale, assignment, transfer or other conveyance of any interest in this Agreement or the Property.

(b) The Developer and assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written notice to, the County. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the County has been given a copy of the documents creating the lender's interest, including notice information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement within thirty (30) days after written notice to the lender, not to be unreasonably withheld. A lender is not a party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement and shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured.

(c) The County does not and shall not consent to nor participate in any third-party financing based upon the Developer's assignment of its right to receive funds pursuant to this Agreement or any Reimbursement Agreement.

Section 12.04. Table of Contents; Titles and Headings. The titles of the articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 12.05. Entire Agreement; Amendment. This Agreement is the entire agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the Parties that in any manner relates to the subject matter of this Agreement. This Agreement may only be amended by a written agreement executed by all Parties.

Section 12.06. Time. In computing the number of calendar days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays. If the final day of any time period (with respect to calendar days or Business Days) falls on a Saturday, Sunday, or legal holiday (as observed by the County), then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday (as observed by the County).

Section 12.07. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 12.08. Severability; Waiver. If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the Parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or unenforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement will not be deemed a waiver of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 12.09. No Third-Party Beneficiaries. The County and the Developer intend that this Agreement shall not benefit or create any right or cause of action in or on behalf of any third-party beneficiary, or any individual or entity other than the County, the Developer, or assignees of such Parties. The County does not consent to and will not participate in any third-party financing of the Assessment revenues.

Section 12.10. Notice of Assignment. Developer shall not transfer any portion of the Property prior to the levy of Assessments, except as provided in Section 1.04. Subject to Section 12.03 herein, the requirements set forth below shall apply in the event that the Developer sells, assigns, transfers, or otherwise conveys the Property or any part thereof and/or any of its rights, benefits, or obligations under this Agreement. Developer must provide the following:

(a) within 30 calendar days after the effective date of any such sale, assignment, transfer, or other conveyance, the Developer must provide written notice of same to the County;

(b) the notice must describe the extent to which any rights or benefits under this Agreement have been sold, assigned, transferred, or otherwise conveyed;

(c) the notice must state the name, mailing address, and telephone contact information of the person(s) acquiring any rights or benefits as a result of any such sale, assignment, transfer, or other conveyance; and

(d) the notice must be signed by a duly authorized representative of the Developer and a duly authorized representative of the person or entity that will acquire any rights or benefits as a result of the sale, assignment, transfer, or other conveyance.

Section 12.11. No Joint Venture. Nothing contained in this Agreement or any other agreement between the Developer and the County is intended by the Parties to create a partnership or joint venture between the Developer, on the one hand, and the County on the other hand and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint either Party as an agent of the other for any purpose whatsoever. Neither Party shall in any way assume any of the liability of the other for acts of the other or obligations of the other. Each Party shall be responsible for any and all suits, demands, costs or actions proximately resulting from its own individual acts or omissions.

Section 12.12. Estoppel Certificates. From time to time, within fifteen (15) Business Days of a written request of the Developer or any future Developer, and upon the payment of a \$100.00 fee to the County, the County Representative, or his/her designee, is authorized, in his/her official capacity and to his/her reasonable knowledge and belief, with no duty of inquiry, to execute a written estoppel certificate in a form approved by the County Attorney, identifying any obligations of a Developer under this Agreement that are in default. No other representations in the estoppel certificate shall be made by the County.

Section 12.13. Independence of Action. It is understood and agreed by and among the Parties that in the design, construction, and development of the Public Improvements and any of the related improvements described herein, and in the Parties' satisfaction of the terms and conditions of this Agreement, each Party is acting independently, and the County assumes no responsibility or liability to any third parties in connection to the Developer's obligations hereunder.

Section 12.14. Limited Recourse. No officer, director, employee, agent, attorney, or representative of the Developer shall be deemed to be a Party to this Agreement or shall be liable for any of the contractual obligations created hereunder. No elected official of the County and no agent, attorney, or representative of the County shall be deemed to be a Party to this Agreement or shall be liable for any of the contractual obligations created hereunder.

Section 12.15. Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Section 12.16. Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

Section 12.17. No Acceleration. All amounts due pursuant to this Agreement and any remedies under this Agreement are not subject to acceleration.

Section 12.18. Conditions Precedent. This Agreement is expressly subject to, and the obligations of the Parties are conditioned upon, the County's levy of the Assessments and the issuance of the PID Bonds or approval of a Reimbursement Agreement.

Section 12.19. No Reduction of Assessments. Following the issuance of each series of PID Bonds, the Developer agrees not to take any action or actions to reduce the total amount of the Assessments levied in payment of such PID Bonds. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the Effective Date of this Agreement.

Section 12.20. 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, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The 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.

Section 12.21. Iran, Sudan and Foreign Terrorist Organizations. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

Section 12.22. Petroleum. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the County to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. §230.133(f), and exists to make a profit.

Section 12.23. Firearms. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against a firearm entity or firearm trade association. The foregoing verification is made solely to enable the County to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association. As used in the foregoing verification, (b) “firearm entity” means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport

shooting range (as defined by Section 250.001, Texas Local Government Code), and (c) “firearm trade association” means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. §230.133(f), and exists to make a profit.

Section 12.24. Governing Law. The Agreement shall be governed by the laws of the State of Texas without regard to any choice of law rules, and venue for any action concerning this Agreement and the Reimbursement Agreement shall be in the State District Court of Montgomery County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.


Section 12.25. Conflict. In the event of any conflict between this Agreement and any Indenture authorizing the PID Bond, the Indenture controls. In the event of any conflict between this Agreement and the Reimbursement Agreement, the Reimbursement Agreement shall control, except that in all cases, applicable law shall control.

Section 12.26. Change in Control. The Developer shall notify the County within fifteen (15) Business Days after any substantial change in ownership or control of the Developer. As used herein, the words “substantial change in ownership or control” shall mean a change of more than 49% of the stock or equitable ownership of the Developer. Any sale of the Property or agreement for the sale, transfer, or assignment of control or ownership of the Developer shall recite and incorporate this Agreement as binding on any purchaser, transferee, or assignee.

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement to be effective as of the Effective Date.

[Signature Page Immediately Follows]

MONTGOMERY COUNTY

By: 
Mark J. Keough, County Judge

Date: June 13, 2023

ATTEST:

By: 
L. Brandon Steinmann, County Clerk

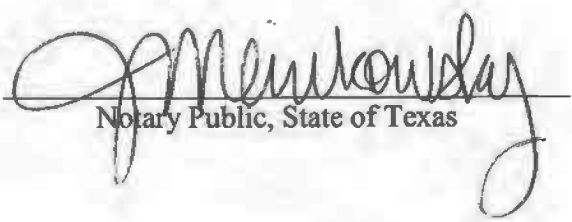
Date: June 13, 2023



THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on June 13, 2023, by Mark J. Keough, County Judge, Montgomery County, Texas.




Notary Public, State of Texas

DEVELOPER

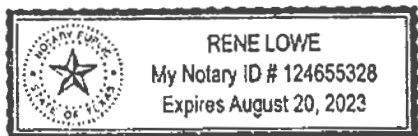
MEADOW PARK, LTD.
a Texas limited partnership

By: Meadow Park Partners, LLC
a Texas limited liability company
its General Partner

By: [Signature]
Name: Mark W. Martin
Title: President

THE STATE OF TEXAS §
 §
COUNTY OF Montgomery §

This instrument was acknowledged before me, the undersigned authority, this 08 day of June, 2023, by Mark W. Martin President of Meadow Park Partners, L Texas limited liability company, as general partner for Meadow Park, Ltd., a Texas limited partnership, on behalf of said partnership.



[Signature]
Notary Public, State of Texas

EXHIBIT "A"
THE PROPERTY
EXHIBIT "A"
LEGAL DESCRIPTION

File No.: 1619755

BEING 167.152 ACRES OF LAND IN THE WILLIAM B. BRIDGES SURVEY, A-73, MONTGOMERY COUNTY, TEXAS, SAID 167.152 ACRES BEING COMPRISED OF FOUR SEPARATE TRACTS DESCRIBED IN INSTRUMENTS TO CODY BIRDWELL, BEING THAT CERTAIN 59.59 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 8906424, THAT CERTAIN 42.295 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 8906426, THAT CERTAIN 42.295 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 8906425, AND THAT CERTAIN 25.00 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 9137246, ALL OF THE MONTGOMERY COUNTY REAL PROPERTY RECORDS, (M.C.R.P.R.), SAID 167.152 ACRE BEING DESCRIBED MORE PARTICULARLY AS FOLLOWS:

BEGINNING at a 1/2" inch iron rod with "Daffron" cap found in the West right-of-way of Waukegan Road, a county maintained right-of-way, for the Northeast corner of that certain 165.315 acre tract described in instrument to Drillmec, Inc., recorded under County Clerk's File Number 2014116952, of the Montgomery County Official Public Records, (M.C.O.P.R.), being the Southeast corner of second mentioned said 42.295 acre tract, and the herein described 167.152 acre tract;

THENCE South 89°24'30" West, 3311.88 feet, with the South line of said second mentioned 42.295 acre tract, and said 59.59 acre tract, the North line of said 165.315 acre tract, to a 1/2" iron rod found for the Southwest corner of said 59.59 acre tract, the Southeast corner of said 25.00 acre tract, and being an angle point in the South line of the herein described 167.152 acre tract;

THENCE South 89°37'50" West, 564.71 feet, with the South line of said 25.00 acre tract, the North line of said 165.315 acre tract, to a 2" iron pipe found in the East line of that certain 335.9702 acre tract described as Tract I, in instrument to D.P.S.F.L.P., recorded under County Clerk's File Number 2011051036, M.C.O.P.R., for the Northwest corner of said 165.315 acre tract, being the Southwest corner of said 25.00 acre tract and the herein described 167.152 acre tract;

THENCE North 03°01'23" West, with the West line of said 25.00 acre tract, the east line of said 335.9702 acre tract, at 1323.65 feet pass a 4" by 4" concrete monument found for the Northeast corner of said 335.9702 acre tract, being the Southeast corner of that certain called 10.067 acre tract described as Tract I in instrument to Benjamin J. and Julie K. Rojas, recorded under County Clerk's File Number 2001-038077, M.C.O.P.R., at 1324.59 feet pass a 2" iron pipe found for reference, in all a total distance of 1861.77 feet, to a 2-1/4" iron pipe found for the Southwest corner of that certain called 20.00 acre tract described in instrument to Martin Glen Geiger and Jeanie Geiger, recorded under County Clerk's File Number 2013059768, M.C.O.P.R., being the Northwest corner of said 25.00 acre tract, and the herein described 167.152 acre tract;

THENCE North 89°53'34" East, 583.81 feet, with the North line of said 25.00 acre tract, the South line of said 20.00 acre tract, to a 1/2" iron rod found for the Northeast corner of said 25.00 acre tract, being the Northwest corner of said 59.59 acre tract, and being an angle point in the North line of the herein described 167.152 acre tract;

File No.: 1619755
Exhibit A Legal Description

Page 1

THENCE South 89°49'37" East, 782.95 feet, with the North line of said 59.59 acre tract, the South line of said 20.00 acre tract to a 4" by 4" concrete monument found for the Southeast corner of said 20.00 acre tract, being the Southwest corner of the residual of that certain called 90.3 acre tract described in instruments to Don Wallace Page and Ellen Ann Page, Trustees of the Page Living Trust, Dated April 24, 1995, recorded under County Clerk's File Numbers 2006-C11641 and 2006-011642, M.C.O.P.R., and being an angle point in the North line of the herein described 167.152 acre tract, from which a 1-1/2" Steel Stake found (bent) for reference bears South 57°10' East, 0.44 feet;

THENCE South 89°58'06" East, 1428.57 feet with the North line of said 59.59 acre tract, the North of first mentioned said 42.295 acre tract, the south line of the residual of said 90.3 acre tract, to an axle found for the Southeast corner of the residual of said 90.3 acre tract, being the Southwest corner of that certain called 26.142 acre tract described in instrument to Connie Jean Harris Nelson, et al, recorded under County Clerk's File Number 2017011214, M.C.O.P.R., and being an angle point in the North line of the herein described 167.152 acre tract;

THENCE North 89°44'34" East, with the North line of said first mentioned 42.295 acre tract, the south line of said 26.142 acre tract and that certain called 3.539 acre tract described in instrument to Roy Robert Harris, Jr., recorded under County Clerk's File Number 2017011215, M.C.O.P.R., at 1011.98 feet pass a 1/2" iron rod with "Maddux" cap found for the Lower Southeast corner of said 26.142 acre tract, the Southwest corner of said 3.539, in all a total distance of 1097.02 feet to a 5/8" iron rod found for the Northwest corner of that certain called 2.0673 acre tract described in instrument to John Allen Robison and Susanne Agnes Robison, recorded under County Clerk's File Number 8643465, M.C.R.P.R., being the Northerly Northeast corner of the herein described 167.152 acre tract, from which a concrete monument found in the West right-of-way of said Waukegan Road for the Southeast corner of said 3.539 acre tract, being the Northeast corner of said 2.0673 acre tract bears North 89°27'06" East, 389.88 feet;

THENCE South 00°18'25" East, 278.08 feet, with the West line of said 2.0673 acre tract, to a 5/8" iron rod found for the Southwest corner of said 2.0673 acre tract, being an interior corner of the herein described 167.152 acre tract;

THENCE North 89°41'21" East, 267.68 feet, with the South line of said 2.0673 acre tract, to a 5/8" iron rod found in the West right-of-way of said Waukegan Road, the East line of said first mentioned 42.295 acre tract, for the Southeast corner of said 2.0673 acre tract, being the Easterly Northeast corner of the herein described 167.152 acre tract;

THENCE South 20°54'11" West, 152.37 feet, with the West right-of-way of said Waukegan Road, the East line of said first mentioned 42.295 acre tract, to a 1/2" iron rod with cap stamped "Jeff Moon RPLS 4639" set for an angle point;

THENCE South 10°30'34" West, 568.35 feet, with the West right-of-way of said Waukegan Road, the East line of said first mentioned 42.295 acre tract, and said second mentioned 42.295 acre tract, to a 1/2" iron rod found for an angle point;

THENCE South 02°53'59" West, 702.55 feet, with the West right-of-way of said Waukegan Road, the East line of said second mentioned 42.295 acre tract, to a 1/2" iron rod with cap stamped "Jeff Moon RPLS 4639" set for an angle point;

THENCE South 10°26'45" East, 147.08 feet, with the West right-of-way of said Waukegan Road, the East line of said second mentioned 42.295 acre tract, to the POINT OF BEGINNING and containing in all 167.152 acre of land, more or less.

EXHIBIT "B"

LAND PLAN

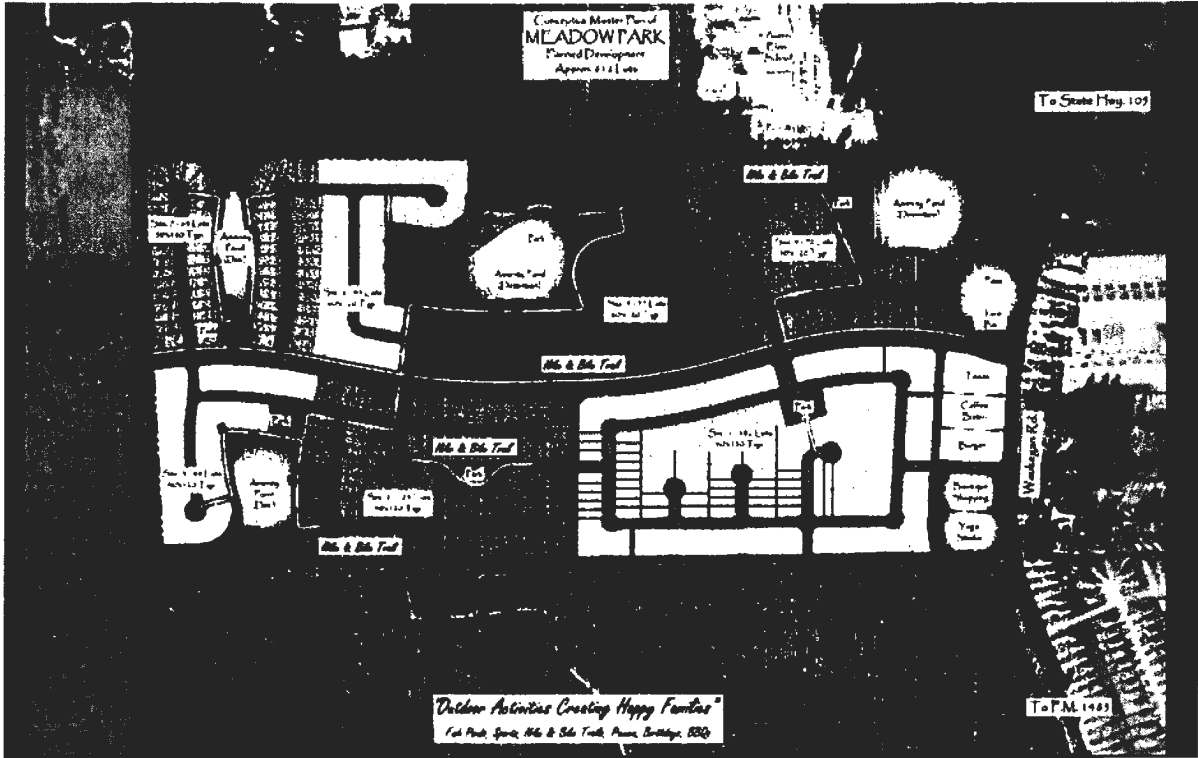


EXHIBIT "C"

PUBLIC IMPROVEMENTS TO BE CONSTRUCTED WITH PID FUNDS

The Public Improvements and costs set forth below are estimates and final Public Improvements and costs shall be as set forth in the applicable Service and Assessment Plan. The Service and Assessment Plan will also include costs of issuance for the PID Bonds.

Public Roads, Drainage, Detention, Parks, and Open Space

**Exhibit B
Meadow Park Public Improvement District
Authorized Improvements
March 24, 2023**

Authorized Improvements [a]	IA #1	IA #2 [d]	Total
Public Land Purchase - Drainage	\$ 375,349	\$ 424,651	\$ 800,000
General Items [b]	\$ 2,117,161	\$ 1,522,453	\$ 3,639,614
Erosion Control	\$ 107,062	\$ 76,988	\$ 184,050
Site Prep	\$ 2,785,924	\$ 2,003,361	\$ 4,789,286
Storm Sewer, Drainage & Detention	\$ 2,124,504	\$ 1,527,733	\$ 3,652,237
Paving Items	\$ 2,686,359	\$ 1,931,764	\$ 4,618,122
Main Boulevard & Sidewalks [c]	\$ 234,593	\$ 265,407	\$ 500,000
District Formation Costs	\$ 140,756	\$ 159,244	\$ 300,000
Soft Costs (20%)	\$ 2,086,190	\$ 1,550,471	\$ 3,636,662
Contingency (20%)	\$ 2,011,121	\$ 1,465,541	\$ 3,476,662
Project Management Fee (4%)	\$ 417,238	\$ 310,094	\$ 727,332
IA#2 Contingency (20%)	\$ -	\$ 1,465,541	\$ 1,465,541
Total Authorized Improvements	\$ 15,086,257	\$ 12,703,249	\$ 27,789,506

Footnotes:

[a] Per Meadow Park Section 1 OPC, dated 3/2/2023. Excludes water, sanitary sewer, and natural gas lines. IA #2 costs estimated at same costs per lot as IA #1 assuming 2% inflation.

[b] General Items includes mobilization, testing, reports, & child's park section 1.

[c] Main Boulevard & Sidewalks allocated by estimated buildout value.

EXHIBIT "D"

CONSENT AND AGREEMENT OF LANDOWNER

This Consent and Agreement of Landowner is issued by _____, as the landowner (the "Landowner") who holds record title to all property located within Meadow Park Public Improvement District (the "PID") created by Montgomery County pursuant to a petition of Landowner. Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the County's ordinance levying assessments on property within the PID, dated _____, 20__, including the Service and Assessment Plan and Assessment Roll attached thereto (the "Assessment Ordinance"). [TO BE EXECUTED PRIOR TO THE LEVY OF ASSESSMENTS FOR EACH SERIES OF BONDS WITH EACH PID]

Landowner hereby declares and confirms that they hold record title to all property in the PID which are subject to the Assessment Ordinances, as set forth on Exhibit A. Further, Landowner hereby ratifies, declares, consents to, affirms, agrees to and confirms each of the following:

1. The creation and boundaries of the PID, the boundaries of each Assessed Property, and the Public Improvements for which the Assessments are being made, as set forth in the Service and Assessment Plan.
2. The determinations and findings as to benefits by the County in the Assessment Ordinance and the Service and Assessment Plan.
3. The Assessment Ordinance and the Service and Assessment Plan and Assessment Roll.
4. The right, power, and authority of the County Commissioners Court to adopt the Assessment Ordinances and the Service and Assessment Plans and Assessment Roll.
5. Each Assessment levied on each Assessed Property as shown in the Service and Assessment Plan (including interest and Administrative Expenses as identified in the Service and Assessment Plan and as updated from time to time as set forth in the Service and Assessment Plan).
6. The authorized improvements specially benefit the Assessed Property in an amount in excess of the Assessment levied on each Assessed Property, as such Assessments are shown on the Assessment Roll.
7. Each Assessment is final, conclusive, and binding upon such Landowner, regardless of whether such Landowner may be required to pay Assessments under certain circumstances pursuant to the Service and Assessment Plan.

8. The then-current owner of each Assessed Property shall pay the Assessment levied on the Assessed Property owned by it when due and in the amount required by and stated in the Service and Assessment Plan and the Assessment Ordinance.
9. Delinquent installments of the Assessment shall incur and accrue interest, penalties, and attorney's fees as provided by the PID Act.
10. The "Annual Installments" of the Assessments may be adjusted, decreased, and extended in accordance with the Service and Assessment Plan, and the then-current owner of each Assessed Property shall be obligated to pay its revised amounts of the Annual Installments, when due, and without the necessity of further action, assessments, or reassessments by the County.
11. All notices required to be provided to it under the PID Act have been received and to the extent of any defect in such notice, Landowner hereby waives any notice requirements and consents to all actions taken by the County with respect to the creation of the PID and the levy of the Assessments.
12. That the resolution creating the PID, the Ordinance levying the Assessments, the Service and Assessment Plan and a Notice of Creation of Special Assessment District and Imposition of Special Assessment to be provided by the County, shall be filed in the records of the County Clerk of Montgomery County, with copies of the recorded documents delivered to the County promptly after receipt thereof by the recording party, as a lien and encumbrance against the Assessed Property.
13. Each Assessed Property owned by the Landowner identified in the Service and Assessment Plan and Assessment Roll are wholly within the boundaries of the PID.
14. There are no parcels owned by the Landowner within the boundaries of the PID that are not identified in the Service and Assessment Plan and the Assessment Roll.
15. Each Parcel owned by the Landowner identified in the Service and Assessment Plan and Assessment Roll against which no Assessment has been levied was non-benefited Property as of _____, 20__.

Originals and Counterparts. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

[Execution page follows]

IN WITNESS WHEREOF, the undersigned has caused this Agreement and Consent of Landowner to be executed as of _____, 20[23].

_____,
By:

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on the _____ day of _____, 20____ by _____, _____ of _____ company on behalf of said company.

Notary Public, State of Texas

EXHIBIT "E"

FORM OF PAYMENT CERTIFICATE

PAYMENT CERTIFICATE NO. _____

Reference is made to that certain Indenture of Trust by and between the County and the Trustee dated as of _____ (the "Indenture") relating to the "Montgomery County, Texas, Special Assessment Revenue Bonds, Series 20__ Meadow Park Public Improvement District Project" (the "Bonds"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture. Meadow Park, Ltd., a Texas limited partnership (the "Developer") requests payment to the Developer (or to the person designated by the Developer) from:

_____ the Public Improvement Account of the Project Fund

from _____, N.A., (the "Trustee"), in the amount of _____ (\$ _____) for the reimbursement of the costs of labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Public Improvements providing a special benefit to property within the Meadow Park Public Improvement District.

In connection with the above referenced payment, the Developer represents and warrants to the County as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment Form on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The itemized payment requested for the below referenced Public Improvements has not been the subject of any prior payment request submitted for the same work to the County or, if previously requested, no disbursement was made with respect thereto.
3. The itemized amounts listed for the Public Improvements below are a true and accurate representation of the Public Improvement costs associated with the creation, acquisition, or construction of said Public Improvements and such costs (i) are in compliance with the Development Agreement, and (ii) are consistent with and within the cost identified for such Public Improvements as set forth in the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Indenture, and the Service and Assessment Plan.
5. The Developer has timely paid all ad valorem taxes and annual installments of Public Assessments it owes or an entity the Developer controls owes, located in the Meadow Park Public Improvement District, and has no outstanding delinquencies for such Public Assessments.
6. All conditions set forth in the Indenture and the Development Agreement for the payment hereby requested have been satisfied.

7. The work with respect to Public Improvements referenced below has been completed, and the County has inspected such Public Improvements.

8. The Developer agrees to cooperate with the County in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the County to complete said review.

Payments requested are as follows:

Payee / Description of Public Improvement	Total Cost Public Improvement	Budgeted Cost of Public Improvement	Amount requested be paid from the Public Improvement Account	Amount requested to be paid from the Developer Improvement Account

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are "bills paid" affidavits and supporting documentation in the standard form for County construction projects.

Pursuant to the Development Agreement, after receiving this payment request, the County has inspected the Public Improvements and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

Payments requested hereunder shall be made to the Developer as directed below:

- a. Payment instructions

I hereby declare that the above representations and warranties are true and correct.

By: _____

Name: _____

Title: _____

APPROVAL OF REQUEST

The County is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the County approves the Certificate for Payment and authorizes and directs payment of the amounts set forth below by Trustee from the Project Fund to the Developer as directed on such Certificate for Payment. The County's approval of the Certificate for Payment shall not have the effect of estopping or preventing the County from asserting claims under the Development Agreement, the Reimbursement Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Public Improvements.

Amount of Payment Certificate Request	Amount to be Paid by Trustee from Improvement Account	Amount to be paid by Trustee from Developer Improvement Account
\$ _____	\$ _____	\$ _____

MONTGOMERY COUNTY

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT "F"

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for _____, (the "Developer") and requests payment from:

[the Cost of Issuance Account of the Project Fund][the Improvement Account of the Project Fund] from _____, (the "Trustee") in the amount of _____ DOLLARS (\$_____) for costs incurred in the establishment, administration, and operation of the Meadow Park Public Improvement District (the "District"), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

In connection to the above referenced payments, the Developer represents and warrants to the County as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the County.
3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with and within the costs as set forth in the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.
6. The Developer agrees to cooperate with the County in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the County to complete said review.

Payments requested hereunder shall be made to the Developer as directed below:

b. Payment instructions

I hereby declare that the above representations and warranties are true and correct.

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST

The County 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 County approves the Closing Disbursement Request to the extent set forth below and authorizes and directs payment by Trustee in such amounts and from the accounts listed below, to the Developer or other person designated by the Developer herein.

Closing Costs	Amount to be Paid by Trustee from Cost of Issuance Account	Amount to be paid by Trustee from Improvement Account
\$ _____	\$ _____	\$ _____

MONTGOMERY COUNTY, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX G
REIMBURSEMENT AGREEMENT

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#21 18.A.1.

AGREEMENT FOR THE CONSTRUCTION AND FUNDING OF AUTHORIZED IMPROVEMENTS AND REIMBURSEMENT OF ADVANCES

This Agreement for the Construction and Funding of Authorized Improvements and Reimbursement of Advances (the "Agreement" or "Reimbursement Agreement") is made and entered into by and between Montgomery County, Texas, a political subdivision of the State of Texas (the "County") and Meadow Park, Ltd., a Texas limited partnership and its successors and assigns (the "Developer").

RECITALS

WHEREAS, Developer is the owner of the approximately 167.152 acres of real property located in Montgomery County, Texas, within the extraterritorial jurisdiction of the City of Cut and Shoot, Texas and described in the attached **Exhibit "A"** (the "Property"), and desires to develop such Property in phases or, in the future, sell or convey parcels thereof for development; and

WHEREAS, the County has created the Meadow Park Public Improvement District (the "PID") in accordance with the provisions of Chapter 372, Texas Local Government Code (the "PID Act"); and

WHEREAS, the PID encompasses the Property; and

WHEREAS, Developer intends to make certain improvements to the Property, which improvements are generally described in the attachment labeled "**Meadow Park Public Improvement District – Improvement Area #1.**" and all of such improvements are "authorized improvements" under the PID Act (collectively, the "Authorized Improvements"); and

WHEREAS, the purpose of the PID is to finance the Authorized Improvements; and

WHEREAS, development within the PID is expected to be governed by the terms of that certain Development Agreement by and between County and Developer, dated as of June 13, 2023 (the "Development Agreement"); and

WHEREAS, a service and assessment plan (the "SAP") shall be prepared and approved by the County in accordance with the PID Act, and shall establish, among other matters, the projected cost of the Authorized Improvements, including the Actual Costs (as defined below in Section 1.03) and PID creation costs as provided in the PID Act (collectively, the "PID Costs"); and

WHEREAS, the SAP shall allocate the PID Costs to the benefitted Property within the PID; and

WHEREAS, assessments to be levied against lots or parcels within the PID (the "PID Assessments") and the annual payments to be made to amortize such PID Assessments (the "Annual Installment") will be reflected on an assessment roll to be approved by the County Commissioners Court and updated from time to time; and

WHEREAS, the County shall by ordinance approve the SAP (including the assessment roll), levy PID Assessments, establish the dates upon which interest on PID Assessments will begin to accrue, and the date collection of PID Assessments will begin; and

WHEREAS, all Assessment Revenue (as defined herein) received and collected by the County shall be deposited, as required by the PID Act, into an assessment fund that is segregated from all other funds of the County (the "Assessment Fund") or, in the event of the issuance of bonds to finance the Authorized Improvements (the "PID Bonds"), into funds held under an indenture pursuant to which the PID Bonds are issued (the "PID Bond Indenture" or "Indenture"); and

WHEREAS, Assessment Revenue deposited into the Assessment Fund or the PID Bond Reimbursement Fund (as defined herein) shall be used solely to reimburse Developer and its assigns for PID Costs advanced by Developer (the "Developer Advances"), plus interest, and proceeds from PID Bonds, if issued, shall be used to pay the PID Costs, including costs previously paid by Developer, and for the purposes set forth in the PID Bond Indenture; and

WHEREAS, Developer intends to make, from time to time, Developer Advances to construct the Authorized Improvements and the County intends to acquire and/or receive the Authorized Improvements constructed by Developer and to reimburse Developer for Developer Advances, as further provided in the Development Agreement; and

WHEREAS, the County and Developer desire to enter into this Reimbursement Agreement to memorialize the County's agreement to reimburse Developer for Developer Advances made for the construction and financing of the Authorized Improvements if the County adopts PID Assessments; and

WHEREAS, the County's obligations to reimburse Developer for Developer Advances paid related to the Authorized Improvements constructed for the benefit of the PID (i) shall only be paid from proceeds of the PID Bonds and/or the PID Assessments and/or annual installments collected from Property within the PID once such PID Assessments are levied, (ii) are contingent upon the County levying such PID Assessments and/or issuing its PID Bonds, and (iii) will not be due and owing unless and until the County actually issues its PID Bonds and/or levies such PID Assessments.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the County and Developer hereby contract and agree as follows:

DEFINITIONS

Any capitalized terms and phrases used in the recitals above shall have the meanings provided in said recitals. Except as may be otherwise defined, or the context clearly requires otherwise, the following terms and phrases used in this Agreement shall have the meanings as follows:

“Assessments” means those certain assessments levied by the County pursuant to the PID Act and on benefitted parcels within the PID for the purpose of paying the costs of the Public Improvements, which Assessments shall be structured to be amortized over thirty (30) years, including interest, all as set forth in or modified by the SAP.

“Assessment Ordinance” shall mean any ordinance adopted by the Montgomery County Commissioners Court approving the SAP and levying PID Assessments.

“Closing Disbursement Request” means a request for payment of Actual Costs related to the Authorized Improvements from the proceeds of a series of PID Bonds in a form approved by the County and Developer.

“Developer Advances” mean advances made by Developer to pay Actual Costs.

“Developer Improvement Account” means an account of the PID Project Fund which may be created and established under the applicable PID Bond Indenture (and segregated from all other funds contained in the PID Project Fund) into which the County deposits or directs the applicable trustee to deposit any funds received from Developer as required under such PID Bond Indenture.

“Maturity Date” is the date one year after the last Annual Installment is collected.

“PID Bond Reimbursement Fund” means a fund which may be established by the County under the applicable PID Bond Indenture (and segregated from all other funds of the County) into which the County transfers Assessment Revenue from the applicable PID Pledged Revenue Fund for the purpose of paying amounts due to Developer under this Agreement or a separate reimbursement agreement and/or Actual Costs of Authorized Improvements that are not paid from PID Bond Proceeds deposited in the applicable account of the PID Project Fund in accordance with each applicable PID Bond Indenture related to a series of PID Bonds issued and still outstanding.

“PID Pledged Revenue Fund” means, collectively, the fund established by the County under each applicable PID Bond Indenture (and segregated from all other funds of the County) into which the County deposits Assessment Revenue in accordance with each applicable PID Bond Indenture related to a series of PID Bonds issued and still outstanding.

“PID Project Fund” means, collectively, the fund, including all accounts created within such fund, established by the County under each applicable PID Bond Indenture (and segregated from all other funds of the County) into which the County deposits PID Bond Proceeds in the amounts and as described in the applicable PID Bond Indenture.

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

thereof.

ARTICLE I

Construction of the Authorized Improvements

1.01. Design of the Authorized Improvements. All physical facilities to be constructed or acquired as a part of the Authorized Improvements may be inspected by the County Representative (as defined below) and/or its designee.

1.02. Construction of Authorized Improvements.

(a) The Authorized Improvements shall be constructed in the name of the Developer. Prior to or at the time of reimbursement of Developer with funds from the Assessment Fund or PID Bonds, as applicable, Developer may convey certain Authorized Improvements to the County in accordance with and only as provided by the Development Agreement.

(b) Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended.

(c) The Authorized Improvements shall be constructed in a good and workmanlike manner and all materials used in such construction shall be fit for their intended purpose. In performing this Reimbursement Agreement, Developer is an independent contractor and not the agent or employee of the County.

(d) Upon completion of construction of Authorized Improvements constructed in the name of Developer, Developer shall provide the County with final "record" drawings of the Authorized Improvements.

(e) Upon completion of each phase of the Authorized Improvements, Developer shall present to a representative of the County (the "County Representative") invoices or other evidences of payment of costs of the Authorized Improvements for review and approval. The County agrees, subject to the provisions of Section 1.05 hereof, to pay Developer, and Developer shall be entitled to receive from the County, the amount equal to the PID Costs paid by Developer or overrun costs allowed hereunder and as described in the SAP, that were paid by Developer, plus interest, as provided in Article II hereof.

(f) All Authorized Improvements shall be constructed by or at the direction of Developer in accordance with the plans, the Development Agreement, applicable County ordinances and regulations, and this Agreement and any other agreement between the parties related to Property in the PID and/or the Authorized Improvements. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Authorized Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken.