

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

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



\$3,270,000

CITY OF ROYSE CITY, TEXAS

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(WATERSCAPE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #4 PROJECT)

Dated Date: May 1, 2024

Due: September 15, as shown on the inside cover

Interest to Accrue from Delivery Date (defined below)

The City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2024 (Waterscape Public Improvement District Improvement Area #4 Project) (the “Bonds”), are being issued by the City of Royse City, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on each March 15 and September 15, commencing September 15, 2024 until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by UMB Bank, N.A., Dallas, Texas, as trustee (the “Trustee”), to Cede & Co. as the registered owner thereof. See “BOOK-ENTRY ONLY SYSTEM.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance (the “Bond Ordinance”) adopted by the City Council of the City (the “City Council”) on April 23, 2024, and an Indenture of Trust, dated as of May 1, 2024 (the “Indenture”), entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the costs of the “Improvement Area #4 Improvements”, which consist of the costs of the local infrastructure benefitting only Improvement Area #4 of the Waterscape Public Improvement District (the “District”), (ii) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs and (iii) paying certain “Bond Issuance Costs” (as defined herein) which include (a) funding a reserve fund for the payment of principal and interest on the Bonds, (b) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #4 Improvements, and (c) paying certain other costs of issuance of the Bonds. See “THE IMPROVEMENT AREA #4 AUTHORIZED IMPROVEMENTS” and “APPENDIX B — Form of Indenture.”

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of Assessments levied against assessable properties in Improvement Area #4 of the District in accordance with an Amended and Restated Service and Assessment Plan (as defined herein) and other assets comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. The Bonds are not payable from funds raised or to be raised from taxation. See “SECURITY FOR THE BONDS.” The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption “DESCRIPTION OF THE BONDS — Redemption Provisions.”

In addition to the Bonds, a portion of the Major Improvement Area Bonds (as defined herein) are allocable to Improvement Area #4 and are payable from the Major Improvement Area Assessments (as defined herein) levied against assessable properties in Improvement Area #4. See “PLAN OF FINANCE — Financing Plan – Major Improvement Area Projects.” **The Major Improvement Area Assessments are not security for the Bonds.**

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

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM A FIRST LIEN ON, SECURITY INTEREST IN, AND PLEDGE OF THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE TRUST ESTATE, AS IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS.”

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter (identified below), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by the City Attorney, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Developer by its counsel Polsinelli, PC, and its special counsel, Shupe Ventura, PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about May 15, 2024 (the “Delivery Date”).

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

CUSIP Prefix: 780870^(a)

\$3,270,000
CITY OF ROYSE CITY, TEXAS,
(a municipal corporation of the State of Texas located in Rockwall, Collin, and Hunt Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WATERSCAPE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #4 PROJECT)

\$342,000 4.625% Term Bonds, Due September 15, 2031 Priced to Yield 4.720%; CUSIP No. 780870BP5 ^{(a) (c)}

\$2,928,000 5.875% Term Bonds, Due September 15, 2054 Priced to Yield 5.900%; CUSIP No. 780870BQ3 ^{(a) (b) (c)}

^(a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the service provided by CGS. CUSIP numbers are provided for convenience of reference only. The City, the City's Financial Advisor and the Underwriter do not take any responsibility for the accuracy of such numbers.

^(b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 15, 2032, at the redemption price set forth herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

^(c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

**CITY OF ROYSE CITY, TEXAS
CITY COUNCIL**

<u>Name</u>	<u>Length of Service</u>	<u>Term Expires (May)</u>
Clay Ellis, Mayor	16 Years	2025
James Branch, Deputy Mayor Pro-Term	15 Years	2025
Michael Holder	5 Years	2025
Bruce Bradley, Mayor Pro Tem	9 Years	2025
Matt Wheatley	13 Years	2024
Russell Ratterree	3 Year	2024
Thomas Crowley	14 Years	2024

CITY MANAGER

Carl Alsabrook

CITY SECRETARY

Deborah Sorensen

FINANCE DIRECTOR

Shannon Raymond

BOND COUNSEL

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

FINANCIAL ADVISOR

Specialized Public Finance Inc.
Dallas, Texas

PID ADMINISTRATOR

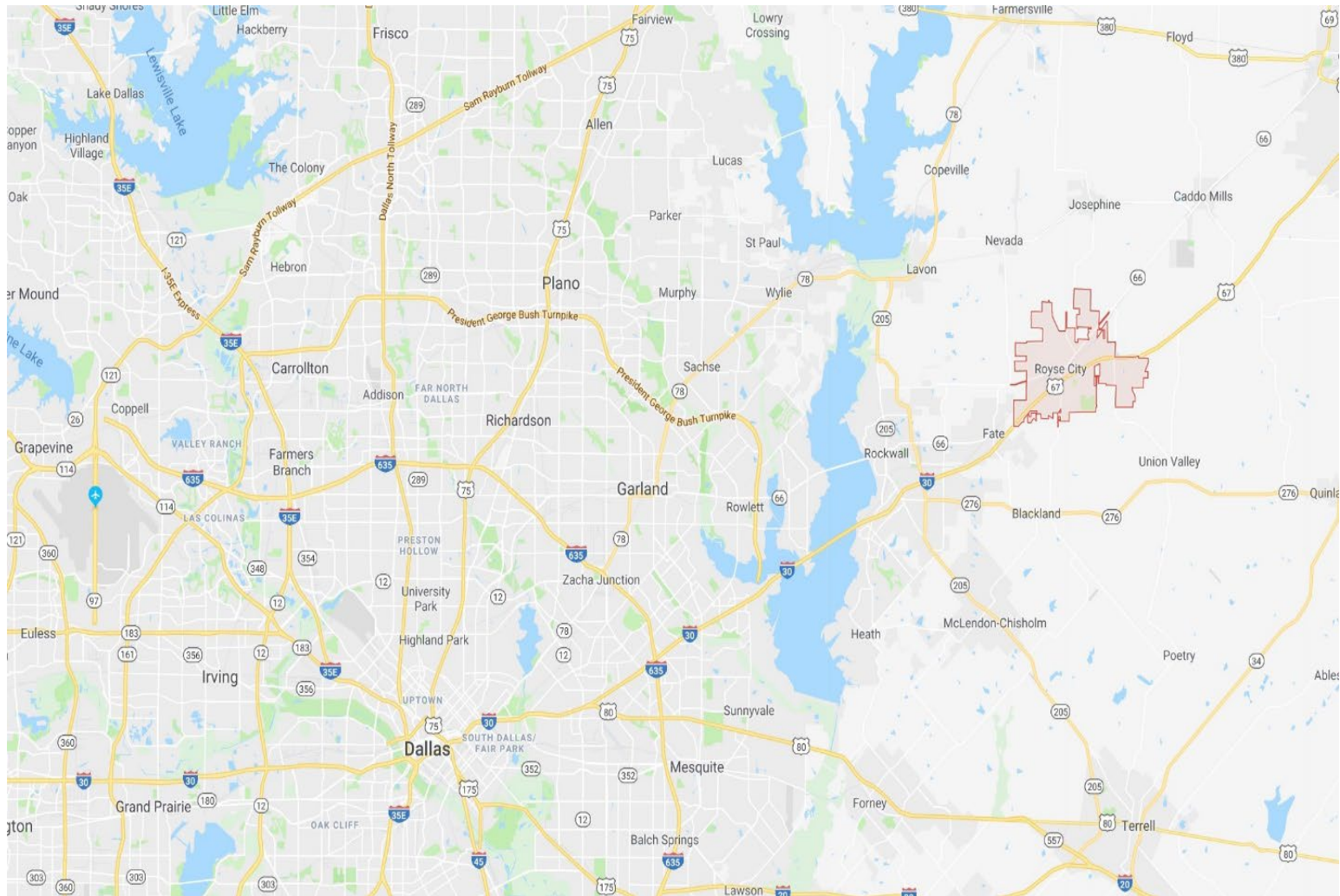
P3Works, LLC
Austin, Houston and North Richland Hills, Texas

For additional information regarding the City, please contact:

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

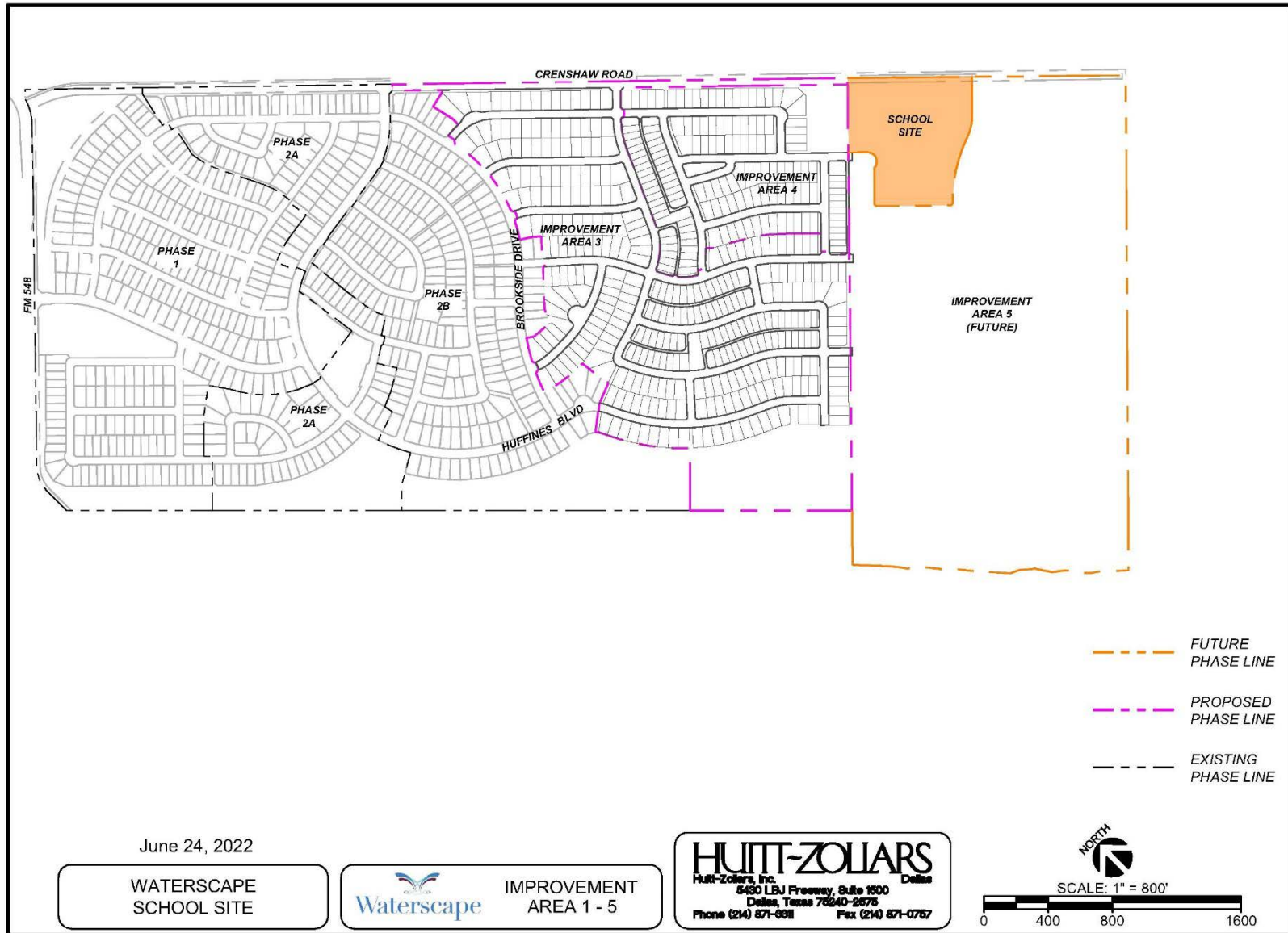
Steven A. Adams, CFA
Paul Jasin
Specialized Public Finance Inc.
4295 Greenville Avenue, Suite 1350
Dallas, Texas 75206
(214) 373-3911

REGIONAL LOCATION MAP OF THE DISTRICT





MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT¹



¹ While Improvement Area #5 is part of the Development (as defined herein), such land is not included within the District.

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

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

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

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

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS,

PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

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

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

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

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LIMITED OFFERING MEMORANDUM

\$3,270,000

CITY OF ROYSE CITY, TEXAS,

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(WATERSCAPE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #4 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Royse City, Texas (the “City”), of its \$3,270,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Waterscape Public Improvement District Improvement Area #4 Project) (the “Bonds”).

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

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds adopted by the City Council of the City (the “City Council”) on April 23, 2024 (the “Bond Ordinance”), and an Indenture of Trust, dated as of May 1, 2024 (the “Indenture”), entered into by and between the City and UMB Bank, N.A., Dallas, Texas, as trustee (the “Trustee”). The Bonds will be secured by a first lien on and pledge of the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments (the “Assessments”) levied pursuant to a separate ordinance adopted by the City Council on April 23, 2024 (the “Assessment Ordinance”) against assessed parcels (the “Assessed Property”) located within Improvement Area #4 (as defined herein) of the Waterscape Public Improvement District (the “District”) all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

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

Set forth herein are brief descriptions of the City, the District, the PID Administrator (as defined herein), the Developer (as defined herein), the Landowners (as defined herein), the Assessment Ordinance, the Bond Ordinance, the TIRZ No. 1 Ordinance (as defined herein), the Amended and Restated Service and Assessment Plan (as defined herein), the PID Reimbursement Agreement (as defined herein) and the Development Agreement (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Phone: (214) 302-2246. The Form of Indenture appears in APPENDIX B and the Form of Amended and Restated Service and Assessment Plan appears in APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Development Plan

Parker Creek Estates, L.P., a Texas limited partnership (“Parker Creek LP”), an affiliate of Huffines Communities, Inc., a Texas corporation (“Huffines Communities”), purchased approximately 310 acres of land comprising the District on February 13, 2003, at a price of \$2,202,455.50 which property and Improvement Area #5 (as defined herein) is a master planned community commonly known as “Waterscape” (the “Development”). All loans associated with Parker Creek LP’s purchase of land within the District have matured and were paid in accordance with their terms. On November 30, 2018, Parker Creek LP transferred approximately 135 acres within the District, consisting of Improvement Area #2 (as defined below) and a portion of Improvement Area #3 (as defined below) to Waterscape Development LLC, a Texas limited liability company (“Waterscape LLC”), an affiliate of Huffines Communities with the same ownership control as Parker Creek LP. On April 6, 2021, Parker Creek LP transferred approximately 93.16 acres within the District, consisting of the approximately 62.29 acres it owned within Improvement Area #3 and all 30.87 acres comprising Improvement Area #4 to HC Royse 548, LLC, a Texas limited liability company (the “Developer” and, collectively with Parker Creek LP and Waterscape LLC, the “Landowners”), an affiliate of Huffines Communities with the same ownership control as Parker Creek LP and Waterscape LLC.

In 2020, Waterscape 4, LLC (“Waterscape 4”), an affiliate of Huffines Communities with the same ownership control as the Developer, purchased approximately 121.833 acres of land adjacent to the District (“Improvement Area #5”), which is considered part of the Development, but is not included within the District. See “MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT,” “THE DEVELOPMENT — Development Plan” and “— The Development Agreement” and “THE DEVELOPER — History and Financing of the District.”

The District was initially divided into two areas, the initial phase, consisting of approximately 81.46 acres of the approximately 310 acres comprising the District (“Improvement Area #1”) and the remaining approximately 228.65 acres outside Improvement Area #1 of the District (the “Major Improvement Area”). The Major Improvement Area has been further subdivided into three additional phases, the second phase, consisting of approximately 113.28 acres (“Improvement Area #2”), the third phase, consisting of approximately 84.50 acres (“Improvement Area #3”), and the fourth phase, consisting of approximately 30.87 acres (“Improvement Area #4”) and, together with Improvement Area #2 and Improvement Area #3, the “Future Improvement Areas,” which areas are coterminous with the Major Improvement Area). The boundaries of the District and each of the planned “Improvement Areas” are shown in the “MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT” on page iv.

The Landowners’ plans for the District consist of four phases of development, which began with the development of a portion of the major infrastructure to serve the entire District (the “Major Improvements”), as well as the infrastructure to serve Improvement Area #1 (the “Improvement Area #1 Improvements”), was followed by the development of the infrastructure to serve Improvement Area #2 (the “Improvement Area #2 Improvements”) and the development of the infrastructure to serve Improvement Area #3 (the “Improvement Area #3 Improvements”) and is concluding with the development of the infrastructure to serve Improvement Area #4 (the “Improvement Area #4 Improvements” and, together with the Improvement Area #2 Improvements and the Improvement Area #3 Improvements, the “Future Improvement Areas Improvements”). Parker Creek LP was responsible for the construction and development of the Major Improvements and the Improvement Area #1 Improvements. Waterscape LLC was responsible for the construction of the Improvement Area #2 Improvements. The Developer was responsible for the construction and development of the Improvement Area #3 Improvements and is responsible for the construction and development of the Improvement Area #4 Improvements. The portion of the Major Improvements benefitting Improvement Area #1 and the Improvement Area #1 Improvements are referred to herein as the “Improvement Area #1 Projects.” The portion of the Major Improvements which benefit only the Major Improvement Area of the District is referred to herein as the “Major Improvement Area Projects.” See “THE DEVELOPMENT — Development Plan.”

Upon completion of the Development, including Improvement Area #5, estimated to occur in 2026, the Development is expected to consist of approximately 1,422 single-family residential units, including approximately 275 in Improvement Area #1, approximately 354 in Improvement Area #2, approximately 325 in Improvement Area #3, approximately 148 in Improvement Area #4, and approximately 320 in Improvement Area #5. The Development is also planned to include a variety of parks, trails, an amenity center, and open space areas within the District (the

“Amenities”) and a school within Improvement Area #5. See “THE DEVELOPMENT — Development Plan,” “— Development Agreement” and “— Amenities and Private Improvements.”

Status of Construction of Authorized Improvements

The respective Landowner has completed construction of the Improvement Area #1 Improvements, Improvement Area #2 Improvements, Improvement Area #3 Improvements, and the Major Improvement Area Projects, all of which have been accepted by the City.

The Developer began construction of the Improvement Area #4 Improvements in September 2023 and expects to complete such construction by May 2024. The costs of the Improvement Area #4 Improvements are estimated to be approximately \$3,531,005. The City will finance a portion of the Improvement Area #4 Improvements through the issuance of the Bonds, including paying amounts owed to the Developer, pursuant to the PID Reimbursement Agreement, for a portion of the actual costs, paid or incurred by or on behalf of the Developer, of the Improvement Area #4 Improvements. The balance of the costs of the Improvement Area #4 Improvements, in the approximate amount of \$987,569, will be funded by a Developer contribution without reimbursement by the City. As of February 29, 2024, the Developer has spent approximately \$3,179,022 on constructing the Improvement Area #4 Improvements. See “THE IMPROVEMENT AREA #4 AUTHORIZED IMPROVEMENTS” and “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

Homebuilders and Status of Home Construction

Improvement Area #1. Parker Creek LP has entered into lot purchase contracts (the “Improvement Area #1 Lot Purchase Agreements”) with merchant homebuilders, Bloomfield Homes, L.P. (“Bloomfield”), Highland Homes, LLC (“Highland”), HMH Lifestyles, L.P. (“History Maker”), Tri Pointe Homes DFW, LLC (“Tri Pointe”) and Impression Homes, LLC (“Impression,” and together with Bloomfield, Highland, History Maker and Tri Pointe, the “Improvement Area #1 Homebuilders”) for 270 of the 275 single-family lots within Improvement Area #1. As of February 29, 2024, the Improvement Area #1 Homebuilders have purchased 270 completed lots, finished construction of 269 homes and sold 265 homes (including homes under contract, but not yet closed on) to individual homeowners. See “THE DEVELOPMENT — Development in Improvement Area #1, Improvement Area #2 and Improvement Area #3.”

Improvement Area #2. Waterscape LLC has entered into lot purchase contracts (the “Improvement Area #2 Lot Purchase Agreements”) with merchant homebuilders, Bloomfield, Highland, History Maker, Impression and St. Vincent Homes, LLC (“St. Vincent”) (collectively, the “Improvement Area #2 Homebuilders”) for all 354 single-family lots within Improvement Area #2. As of February 29, 2024, the Improvement Area #2 Homebuilders have purchased 354 completed lots, finished construction of 354 homes and sold 354 homes (including homes under contract, but not yet closed on) to individual homeowners. See “THE DEVELOPMENT — Development in Improvement Area #1, Improvement Area #2 and Improvement Area #3.”

Improvement Area #3. The Developer and/or Waterscape LLC have entered into lot purchase contracts (the “Improvement Area #3 Lot Purchase Agreements”) with merchant homebuilders, Highland, History Maker, Impression and Tri Pointe (collectively, the “Improvement Area #3 Homebuilders”) for 323 of the 325 planned single-family lots within Improvement Area #3. As of February 29, 2024, the Improvement Area #3 Homebuilders have purchased 294 completed lots, finished construction of 132 homes and sold 122 homes (including homes under contract, but not yet closed on) to individual homeowners. See “THE DEVELOPMENT — Development in Improvement Area #1, Improvement Area #2 and Improvement Area #3.”

Improvement Area #4. The Developer has entered into lot purchase contracts (the “Improvement Area #4 Lot Purchase Agreements”) with merchant homebuilders, Highland Homes and History Maker (collectively, the “Improvement Area #4 Homebuilders”), for 128 of the 148 planned single-family lots within Improvement Area #4. The Developer intends to enter into a lot purchase agreement with one additional homebuilder for the 20 remaining lots. The Improvement Area #4 Homebuilders collectively have deposited \$1,414,200 in earnest money, of which \$707,100 was deposited by Highland Homes and \$707,100 was deposited by History Maker. The earnest money will

be credited back to the respective Improvement Area #4 Homebuilder as lots are purchased by each respective homebuilder, in accordance with the applicable Improvement Area #4 Lot Purchase Agreement.

As of February 29, 2024, no lots have been purchased by the Improvement Area #4 Homebuilders. The Improvement Area #4 Homebuilders will begin to take down lots within Improvement Area #4 pursuant to the Improvement Area #4 Lot Purchase Agreements upon completion of the Improvement Area #4 Improvements, anticipated by the Developer to be in May 2024. See “THE DEVELOPMENT — Development in Improvement Area #4 – Homebuilders and Lot Purchase Agreements.”

Financing Plan

PID Reimbursement Agreement. On November 14, 2017, the City and Parker Creek LP entered into the PID Reimbursement Agreement - Waterscape (the “Original PID Reimbursement Agreement”). Parker Creek LP and Waterscape LLC (collectively, the “Original Landowners”) and the City entered into the Amended and Restated PID Reimbursement Agreement – Waterscape (the “Amended and Restated PID Reimbursement Agreement”) effective as of November 19, 2019, which replaced the Original PID Reimbursement Agreement in its entirety and provides, in part, for the financing of a portion of the costs of the Improvement Area #1 Projects, the Major Improvement Area Projects, the Improvement Area #2 Improvements, the Improvement Area #3 Improvements and the Improvement Area #4 Improvements (collectively, the “Authorized Improvements”). Pursuant to the Partial Assignment of PID Reimbursement Agreement, Parker Creek LP assigned the Developer all of its right, title and interest to the PID Reimbursement Agreement with respect to the land acquired by the Developer. The City, the Developer, Waterscape LLC, and Parker Creek LP entered into an Addendum to the Amended and Restated PID Reimbursement Agreement – Waterscape (the “PID Reimbursement Agreement Addendum” and, together with the Amended and Restated PID Reimbursement Agreement, the “PID Reimbursement Agreement”), effective as of August 9, 2022, to reflect the subdivision and reclassification of the Original Improvement Area #3 (as defined herein) into Improvement Area #3 and Improvement Area #4.

As described in the PID Reimbursement Agreement and the Amended and Restated Service and Assessment Plan, the City may elect to pay the costs of the Authorized Improvements (i) through the issuance of bonds, (ii) from revenues generated from collection of assessments levied within the District, or (iii) a combination of (i) and (ii). The City expects to finance the Authorized Improvements as described below. The PID Reimbursement Agreement also provides for the use of TIRZ No. 1 Revenues (as defined below) for project costs relating to certain authorized improvements, including the Improvement Area #1 Projects, the Improvement Area #2 Improvements, the Improvement Area #3 Improvements, and the Improvement Area #4 Improvements as described in more detail under “SECURITY FOR THE BONDS — Amount of Assessments May be Reduced by TIRZ No. 1 Annual Credit Amount.” See also “BONDHOLDERS’ RISKS — TIRZ NO. 1 Annual Credit Amount and Marketing of the Development” and “APPENDIX F — PID Reimbursement Agreement.”

Major Improvement Area Projects. To finance the costs of the Major Improvement Area Projects, the City previously issued its \$5,150,000 “City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2017 (Waterscape Public Improvement District Major Improvement Area Project)” (the “Major Improvement Area Bonds”). The Major Improvement Area Bonds are secured by assessments on assessable property in the Major Improvement Area of the District (the “Major Improvement Area Assessments”), which were levied concurrently with the Improvement Area #1 Assessments (as defined below) on December 12, 2017. A portion of the Major Improvement Area Bonds are allocable to Improvement Area #4. **The Major Improvement Area Assessments are not security for the Bonds.**

Improvement Area #1 Projects. The City has previously issued its “City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2017 (Waterscape Public Improvement District Improvement Area #1 Project)” (the “2017 IA #1 Bonds”) in an original principal amount of \$3,425,000 to pay a portion of the costs of constructing the Improvement Area #1 Projects. The remaining costs of constructing the Improvement Area #1 Projects were funded by Parker Creek LP.

The City also issued its \$2,785,000 “City of Royse City, Texas Special Assessment Revenue Bonds, Series 2019 (Waterscape Public Improvement District Improvement Area #1 Phase 1B Project)” (the “2019 IA #1 Bonds” and, together with the 2017 IA #1 Bonds, the “Improvement Area #1 Bonds”) to pay its remaining obligation to Parker Creek LP under the Original PID Reimbursement Agreement with respect to the Improvement Area #1 Projects (the

“Improvement Area #1 Reimbursement Obligation”). Upon issuance of the 2019 IA #1 Bonds and payment of the net proceeds to the Developer, the Improvement Area #1 Reimbursement Obligation was terminated. The Improvement Area #1 Bonds are secured by special assessments levied on the assessable property within Improvement Area #1 (the “Improvement Area #1 Assessments”) by an ordinance adopted by the City Council on December 12, 2017. See “APPENDIX F — PID Reimbursement Agreement.” **The Improvement Area #1 Assessments are not security for the Bonds.**

Improvement Area #2 Improvements, Improvement Area #3 Improvements and Improvement Area #4 Improvements (formerly known as Future Improvement Areas Improvements).

Future Improvement Areas. The obligations of the City under the Original PID Reimbursement Agreement relating to the Future Improvement Areas were originally secured by separate assessments (the “Future Improvement Areas Assessments”) levied on the assessable property in the Future Improvement Areas.

The Future Improvement Areas Assessments were levied concurrently with the Improvement Area #1 Assessments and the Major Improvement Area Assessments on December 12, 2017, in order to provide Parker Creek LP with an alternate mechanism to finance the improvements within the District that Parker Creek LP originally expected to construct within the Parker Creek Municipal Utility District (the “MUD”), as described in “THE DEVELOPER — History and Financing of the District – The Parker Creek Municipal Utility District.” The Future Improvement Areas Assessments although levied were never collected. Due to increased costs of the Future Improvement Areas Improvements, as well as the expiration of the Future Improvement Areas Assessments, on November 19, 2019, the City terminated and released the Future Improvement Areas Assessments and levied two new assessments within the Future Improvement Areas: a separate assessment levied on the assessable property within Improvement Area #2 (the “Improvement Area #2 Assessments”) to finance the costs of the Improvement Area #2 Improvements, and a separate assessment on the assessable property within the portion of the Major Improvement Area other than Improvement Area #2 (the “Original Improvement Area #3”) (the “Original Improvement Area #3 Assessments”) to finance the costs of the infrastructure within the Original Improvement Area #3 (the “Original Improvement Area #3 Improvements”). See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan” and “APPENDIX F — PID Reimbursement Agreement.”

Improvement Area #2 Improvements. Concurrently with the issuance of the 2019 IA #1 Bonds, the City issued its \$8,570,000 City of Royse City, Texas Special Assessment Revenue Bonds, Series 2019 (Waterscape Public Improvement District Improvement Area #2 Project) (the “Improvement Area #2 Bonds” and, together with the 2019 IA #1 Bonds, the “2019 Bonds”) to finance the costs of constructing the Improvement Area #2 Improvements pursuant to the PID Reimbursement Agreement. The Improvement Area #2 Bonds are secured by the Improvement Area #2 Assessments levied by an ordinance adopted by the City Council on November 19, 2019. **The Improvement Area #2 Assessments are not security for the Bonds.**

Improvement Area #3 Improvements. The Original Improvement Area #3 Assessments were never collected, causing the Original Improvement Area #3 Assessments to become stale. Therefore, the City determined that the termination and release of the Original Improvement Area #3 Assessments was necessary to enable the City to (i) divide the Original Improvement Area #3 into Improvement Area #3 and Improvement Area #4, (ii) re-evaluate the special benefits conferred on property located in Improvement Area #3 and Improvement Area #4 and (iii) levy separate assessments on benefitted property located in Improvement Area #3 and Improvement Area #4. On August 9, 2022, the City adopted an ordinance that (i) terminated the Original Improvement Area #3 Assessments and (ii) levied assessments on assessed property within Improvement Area #3 (the “Improvement Area #3 Assessments”).

To finance the costs of constructing the Improvement Area #3 Improvements pursuant to the PID Reimbursement Agreement, the City issued its \$8,070,000 City of Royse City, Texas Special Assessment Revenue Bonds, Series 2022 (Waterscape Public Improvement District Improvement Area #3 Project) (the “Improvement Area #3 Bonds”). The Improvement Area #3 Bonds are secured by the Improvement Area #3 Assessments. **The Improvement Area #3 Assessments are not security for the Bonds.**

The Bonds, the Improvement Area #1 Bonds, the Improvement Area #2 Bonds, the Improvement Area #3 Bonds, and the Major Improvement Area Bonds issued by the City are separate and distinct issues of securities secured by separate assessments. The Improvement Area #1 Bonds, the Improvement Area #2 Bonds, the Improvement Area #3 Bonds, and the Major Improvement Area Bonds issued by the City are not offered

pursuant to this Limited Offering Memorandum. Investors interested in purchasing any of these other City obligations should refer to the offering documents related thereto, when and if available.

The Bonds

Proceeds of the Bonds will be used for the purpose of (i) paying a portion of the costs of Improvement Area #4 Improvements, (ii) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs and (iii) paying certain “Bond Issuance Costs” (as defined below) which include (a) funding a reserve fund for the payment of principal and interest on the Bonds (b) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #4 Improvements, and (c) paying certain other costs of issuance of the Bonds. “Bond Issuance Costs” means the costs associated with issuing the Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of the Bonds.

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

While the Assessments and the Major Improvement Area Assessments are separate and distinct assessments, the payment of the Assessments are on parity with the payment of the Major Improvement Area Assessments allocable to Improvement Area #4. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

The Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (the “State”) or any other political subdivision of the State, within the meaning of any Constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to “accredited investors” as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 and “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933. Each initial purchaser of the Bonds (each, an “Investor”) will be deemed to have acknowledged, represented and warranted to the City as follows:

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

2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time and does not intend at this time to dispose of all or any part of the Bonds. However, the investor may sell the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being

registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Area #4 Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid by the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

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

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

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter (the “Delivery Date”) and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 15 and September 15, commencing September 15, 2024 (each an “Interest Payment Date”), until maturity or prior redemption. UMB Bank, N.A., Dallas, Texas, is the initial Trustee, Paying Agent, and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal and any integral multiple of \$1,000 in excess thereof (“Authorized Denominations”). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Bonds before their scheduled maturity dates, in whole or in part, on any date on or after September 15, 2032, such redemption date or dates to be fixed by the City, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption (the “Redemption Price”).

Extraordinary Optional Redemption. In the event of a Prepayment, or if any other transfers are made into the Redemption Fund under the terms of the Indenture, the City reserves the right and option to redeem the Bonds before their respective scheduled maturity dates or optional redemption date set forth above, in whole or in part, on any date, from amounts on deposit in the Redemption Fund, at the Redemption Price. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 15 in each of the years 2031 and 2054 are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedules:

\$342,000 Bonds Maturing September 15, 2031

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>	<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, 2025	\$43,000	September 15, 2029	\$51,000
September 15, 2026	45,000	September 15, 2030	53,000
September 15, 2027	47,000	September 15, 2031†	54,000
September 15, 2028	49,000		

† Stated Maturity

\$2,928,000 Bonds Maturing September 15, 2054

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>	<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 15, 2032	\$ 57,000	September 15, 2044	\$106,000
September 15, 2033	59,000	September 15, 2045	112,000
September 15, 2034	63,000	September 15, 2046	119,000
September 15, 2035	66,000	September 15, 2047	126,000
September 15, 2036	69,000	September 15, 2048	133,000
September 15, 2037	73,000	September 15, 2049	204,000
September 15, 2038	77,000	September 15, 2050	216,000
September 15, 2039	81,000	September 15, 2051	228,000
September 15, 2040	85,000	September 15, 2052	242,000
September 15, 2041	90,000	September 15, 2053	256,000
September 15, 2042	95,000	September 15, 2054†	271,000
September 15, 2043	100,000		

† Stated Maturity

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

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

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

Notice of Redemption. Upon receipt of a City Order of redemption by the City to the Trustee, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not

less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds being redeemed are to be surrendered for payment, and, if less than all the Outstanding Bonds of any series are to be redeemed, and subject to the Indenture, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the Redemption Price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

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

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

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

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

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

Payment Upon Redemption. The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed. Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book- Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.

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

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

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

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

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

are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

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

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

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

NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT, THE CITY'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS

LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SECURITY FOR THE BONDS

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

General

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE TRUST ESTATE, AS IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE. SEE “APPENDIX B — FORM OF INDENTURE.”

The principal of, premium, if any, and interest on the Bonds are secured by a first lien on, security interest in, and pledge of the pledged revenues (the “Pledged Revenues”), consisting primarily of Assessments levied against the Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the preparation of an amended and restated service and assessment plan for the District, approved by the City on April 23, 2024 (as updated and amended from time to time, the “Amended and Restated Service and Assessment Plan”), which, among other things, amends and restates the 2022 Amended and Restated SAP (as defined herein) in its entirety, describes the special benefit received by the Assessed Property, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Amended and Restated Service and Assessment Plan is reviewed and updated at least annually (each, an “Annual Service Plan Update”) for the purpose of determining the annual budget for the Authorized Improvements, including the Improvement Area #4 Improvements, and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Amended and Restated Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Improvement Area #4 Improvements by levying Assessments upon the Assessed Property in Improvement Area #4 of the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied in Improvement Area #4, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

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

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

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

“Annual Installments” means, with respect to each Parcel of Assessed Property, each annual payment of: (i) the principal and interest on the Assessments as shown on the Assessment Roll (as defined herein) or in an Annual Service Plan Update, and as shown on Exhibit H-2 to the Amended and Restated Service and Assessment Plan, and calculated as provided in the Amended and Restated Service and Assessment Plan, (ii) Annual Collection Costs, and (iii) the Additional Interest.

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

“Other Obligations” means any bonds, temporary notes, time warrants, or an obligation under an installment sale contract or reimbursement agreement secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within Improvement Area #4 in accordance with the PID Act.

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

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

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

Collection and Deposit of Assessments

The Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds are shown on the Assessment Roll. The Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of and interest on the Bonds, as and to the extent provided in the Amended and Restated Service and Assessment Plan and the Indenture. See “SECURITY FOR THE BONDS — Pledged Revenue Fund.”

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

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

Unconditional Levy of Assessments

The City imposed Assessments on the Assessed Property sufficient to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Amended and Restated Service and Assessment Plan and coming due during each fiscal year. The Assessments are effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments will be calculated at the rate of interest on the Bonds plus the Additional Interest rate calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Amended and Restated Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, will be calculated annually during the Annual Service Plan Update and will be due when billed, expected to be on or about

October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be due on or about October 1, 2024, and will be delinquent if not paid prior to February 1, 2025.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect, each year while the Bonds are Outstanding and unpaid, as part of the Annual Installment, an amount to pay the annual costs incurred by the City in the administration and operation of Improvement Area #4 (the “Annual Collection Costs”). The portion of each Annual Installment of an Assessment used to pay Annual Collection Costs will remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The amount collected to pay Annual Collection Costs will be due when billed, expected to be on or about October 1 of each year, in the manner set forth in the Assessment Ordinance, and will be delinquent if not paid by February 1 of the following year. **Amounts collected for Annual Collection Costs are not part of the Trust Estate and will not secure repayment of the Bonds.**

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

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “ASSESSMENT PROCEDURES” herein. The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. See “BONDHOLDERS’ RISKS — Assessment Limitations.”

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

Perfected Security Interest

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

Amount of Assessments May be Reduced by TIRZ No. 1 Annual Credit Amount

On November 12, 2019, the City adopted an ordinance (the “TIRZ No. 1 Ordinance”), creating the Tax Increment Reinvestment Zone No. One, City of Royse City, Texas (“TIRZ No. 1”), pursuant to Chapter 311 of the Texas Tax Code (the “TIRZ Act”), covering the property in the District, and authorizing the use of TIRZ No. 1 Revenues (as defined below) for project costs under the TIRZ Act, relating to certain authorized improvements, which include the Improvement Area #1 Projects, the Improvement Area #2 Improvements, the Improvement Area #3 Improvements and the Improvement Area #4 Improvements within the District, as provided for in the Reinvestment Zone Number One, City of Royse, Texas, Final Project and Financing Plan (including amendments or supplements thereto (the “TIRZ No. 1 Project Plan”)).

“TIRZ No. 1 Revenues” mean, for each year during the term of TIRZ No. 1, the amounts which are deposited in the tax increment fund (the “TIRZ No. 1 Fund”) pursuant to the TIRZ No. 1 Ordinance, TIRZ No. 1 Project Plan, and PID Reimbursement Agreement. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan” and “APPENDIX F — PID Reimbursement Agreement.”

In the PID Reimbursement Agreement, the City has agreed to transfer TIRZ No. 1 Revenues generated from each Lot within Improvement Area #4 (the “TIRZ No. 1 Annual Credit Amount”) from the TIRZ No. 1 Fund to the Bond Pledged Revenue Account to offset a portion of such Lot’s Annual Installment of Assessment due each year, as calculated by the PID Administrator in collaboration with the City, in accordance with the Amended and Restated Service and Assessment Plan. Pursuant to the TIRZ No. 1 Project Plan, the TIRZ No. 1 Revenues will be an amount equal to \$0.32257 per \$100 of captured appraised value in TIRZ No. 1 levied and collected that constitutes the tax increment for that year.

The Annual Installment of an Assessment will be calculated by taking into consideration any TIRZ No. 1 Annual Credit Amount applicable to such Lot, but in no event shall the TIRZ No. 1 Annual Credit Amount exceed the TIRZ No. 1 Maximum Annual Credit Amount. “TIRZ No. 1 Maximum Annual Credit Amount” means, for each Lot type, the amount shown on Exhibit L to the Amended and Restated Service and Assessment Plan. The TIRZ No. 1 Maximum Annual Credit Amount was calculated based on the amount of TIRZ No. 1 Revenues that results in a total equivalent tax rate of \$3.04 per \$100 of assessed value for such Lot type (based on 2019 tax rates) taking into consideration the tax rates of all applicable overlapping taxing units and the equivalent tax rate of the Annual Installment of an Assessment for such Lot, based on assumed buildout at the time the City Council approves the Assessment Ordinance levying the Assessments. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan” and “APPENDIX F — PID Reimbursement Agreement.”

The annual installments of Major Improvement Area Assessments applicable to Improvement Area #4 will not be reduced by such TIRZ No. 1 Annual Credit Amount. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

Under the PID Reimbursement Agreement, the TIRZ No. 1 Revenues generated by each applicable Lot in any given year shall be used to calculate such Lot’s TIRZ No. 1 Annual Credit Amount in the following year (i.e., TIRZ No. 1 Revenues collected in 2025 shall be used to calculate the TIRZ No. 1 Annual Credit Amount applicable to Annual Installments to be collected in 2026). The TIRZ No. 1 Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value on the applicable Lot in any year. Consequently, the TIRZ No. 1 Revenues are generated only if the appraised value of real property on such Lot in any year is greater than the base value. The tax increment base of Improvement Area #4 pursuant to the TIRZ No. 1 Ordinance was estimated to be \$0.00, which is the amount of tax the City collected on the property in Improvement Area #4 of the District for calendar year 2019 (the year TIRZ No. 1 was created). Any delay or failure of the Developer to develop Improvement Area #4 may result in a reduced amount of the TIRZ No. 1 Revenue being available to credit the Assessments. See “ASSESSMENT PROCEDURES — Assessment Amounts — TIRZ Credit” and “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

TIRZ No.1 will terminate on December 31, 2048, or until the date that is one year after the last Annual Installment is collected pursuant to the Amended and Restated Service and Assessment Plan, whichever is longer unless terminated by the City earlier. The City expects to collect TIRZ No. 1 Revenues for the last year in calendar year 2053 and apply them to the TIRZ No. 1 Annual Credit Amount in 2054.

THE TIRZ NO. 1 REVENUES WILL NOT BE PLEDGED TO THE PAYMENT OF THE BONDS, AND THERE IS NO GUARANTEE THAT THERE WILL EVER BE SUFFICIENT TIRZ NO. 1 REVENUES TO GENERATE THE TIRZ NO. 1 MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ NO. 1 ANNUAL CREDIT AMOUNT WILL NOT BE APPLIED IN ANY MANNER THAT WOULD AFFECT THE COLLECTION AND CONTINUOUS ENFORCEMENT OF ASSESSMENTS COLLECTED FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS AND ANNUAL COLLECTION COSTS AND THE FUNDING OF THE DELINQUENCY AND PREPAYMENT RESERVE REQUIREMENT, IN THE MANNER AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS. SUCH TIRZ NO. 1 ANNUAL CREDIT AMOUNT IS NOT EXPECTED TO BE AVAILABLE TO REDUCE THE ANNUAL INSTALLMENT FOR ANY ASSESSED PROPERTY UNTIL 2027. TIRZ NO. 1 REVENUES GENERATED FROM THE CAPTURED

APPRAISED VALUE FOR EACH PARCEL IN IMPROVEMENT AREA #4 DURING THE DEVELOPMENT OF SUCH PARCEL WILL NOT RESULT IN A TIRZ NO. 1 ANNUAL CREDIT AMOUNT WHICH IS SUFFICIENT TO ACHIEVE THE TIRZ NO. 1 MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ NO. 1 ANNUAL CREDIT AMOUNT MAY NOT PROVIDE FOR THE TIRZ NO. 1 MAXIMUM ANNUAL CREDIT AMOUNT UNTIL THE SECOND YEAR THAT A HOME ON SUCH PARCEL IS ASSESSED. THE ABILITY OF THE TIRZ NO. 1 ANNUAL CREDIT AMOUNT TO PROVIDE FOR THE TIRZ NO. 1 MAXIMUM ANNUAL CREDIT AMOUNT FOR PARCELS WITHIN IMPROVEMENT AREA #4 IS DEPENDENT ON THE ACTUAL HOME PRICES IN IMPROVEMENT AREA #4 MEETING THE PROJECTIONS FOR THE HOME PRICES DESCRIBED IN THE AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN. SEE “OVERLAPPING TAXES AND DEBT,” “BONDHOLDERS’ RISKS — TIRZ NO. 1 ANNUAL CREDIT AMOUNT AND MARKETING OF THE DEVELOPMENT” AND “APPENDIX C — FORM OF AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN.”

Pledged Revenue Fund

Pursuant to the Indenture, upon receipt thereof, and no later than February 15 of each year, beginning February 15, 2025, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund. Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, the following amounts from the Pledged Revenue Fund to the following Accounts: (i) *first*, to the Bond Pledged Revenue Account, an amount sufficient to pay all debt service on the Bonds coming due in the immediately following Bond Year, and (ii) *second*, if necessary, to the Reserve Account, the amount required to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in the Indenture and, immediately following the initial deposit to the Pledged Revenue Fund, and prior to any other transfers or deposits being made under this paragraph, the Additional Interest shall be transferred to the Funds and Accounts as prescribed by the Reserve Fund provisions in the Indenture.

In addition, in the event the City owes Rebatable Arbitrage to the United States Government pursuant to the Indenture, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer under the Indenture, the full amount of Rebatable Arbitrage owed by the City, as further described in the Indenture. If any Assessments and Annual Installments remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess Assessments and Annual Installments for any one or more of the following purposes: (i) pay Improvement Area #4 Costs, (ii) pay other costs permitted by the PID Act or (iii) deposit such excess into the Redemption Fund to redeem Bonds as provided in the Indenture. Along with each transfer to the Trustee, the City shall provide a certificate as to the Funds, Accounts and payments into which the amounts are to be deposited or paid.

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

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

Notwithstanding the foregoing, as directed by the City pursuant to a City Order, the Trustee shall deposit, within two Business Days after receipt thereof, Prepayments to the Pledged Revenue Fund and after such deposit shall transfer such Prepayments to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture.

Notwithstanding the foregoing, as directed by the City pursuant to a City Order, the Trustee shall deposit, within two Business Days after receipt thereof, the Foreclosure Proceeds into the Pledged Revenue Fund and after

such deposit shall transfer such Foreclosure Proceeds, *first* to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate (first, to replenish the Reserve Account Requirement and second, to replenish the Delinquency and Prepayment Reserve Requirement), and *second*, to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture.

After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund as directed by the City in a City Order.

Bond Fund

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds, less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account as provided below. If amounts in the Principal and Interest Account are insufficient to pay amounts due on the Bonds on an Interest Payment Date, the Trustee shall withdraw from the Reserve Fund (first from the Delinquency and Prepayment Reserve Account and second from the Reserve Account) amounts to cover the amount of such insufficiency pursuant to the Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on September 15, 2024. Not later than five Business Days prior to the Interest Payment Date specified above, the Trustee shall withdraw from the Capitalized Interest Account and transfer to the Principal and Interest Account all interest due on the Bonds on such Interest Payment Dates. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Improvement Area #4 Bond Improvement Account or, if the Improvement Area #4 Bond Improvement Account has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture and the Capitalized Interest Account shall be closed.

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

Project Fund

Money on deposit in the Project Fund shall be used for the following purposes as specified in the Indenture: (i) paying a portion of the Improvement Area #4 Costs; and (ii) paying certain Bond Issuance Costs (excluding the portions of the Bond Issuance Costs deposited into the Reserve Account and the Capitalized Interest Account). Except as provided in the Indenture, money on deposit in the Improvement Area #4 Bond Improvement Account shall only be used to pay Improvement Area #4 Costs.

Disbursements from the Costs of Issuance Account shall be made by the Trustee to pay certain Bond Issuance Costs pursuant to one or more City Orders. Disbursements from the Improvement Area #4 Bond Improvement Account to pay Improvement Area #4 Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment as described in the PID Reimbursement Agreement.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #4 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #4 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #4 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #4 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #4 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Improvement Area #4 Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #4 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City

Order shall also specify the amounts to be deposited into each such Fund. Upon such transfers, the Improvement Area #4 Bond Improvement Account shall be closed.

In making any determination, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

In the event the City Representative files a City Order with the Trustee stating that all Improvement Area #4 Improvements have been completed and that all Improvement Area #4 Costs have been paid, or that any Improvement Area #4 Costs are not required to be paid from the Improvement Area #4 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Improvement Area #4 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to the Indenture if the Developer has submitted a Certificate for Payment to the City requesting payment from the Improvement Area #4 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment or amounts under a Certificate for Payment are still in dispute. Upon such transfers, the Improvement Area #4 Bond Improvement Account shall be closed.

Upon a determination by the City Representative that all Bond Issuance Costs have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Area #4 Bond Improvement Account and used to pay Improvement Area #4 Costs or, if no Improvement Area #4 Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Order filed with the Trustee, and the Costs of Issuance Account shall be closed.

Redemption Fund

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee, pursuant to a City Order, shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds 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 as provided in the Indenture.

Reserve Fund

General Provisions. Pursuant to the Indenture, a Reserve Account and a Delinquency and Prepayment Reserve Account have been created within the Reserve Fund for the benefit of the Bonds and held by the Trustee.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first, from the Delinquency and Prepayment Reserve Account and second, from the Reserve Account to the Bond Fund the amounts necessary to cure such deficiency. In such event, notwithstanding anything to the contrary in the Indenture, the Additional Interest shall be used to replenish *first*, the Reserve Account and *second*, the Delinquency and Prepayment Reserve Account.

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

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

If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and the Redemption Fund is sufficient to pay the principal amount and interest due on all Outstanding Bonds on the next date the Bonds may be optionally redeemed by the City at the Redemption Price, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

Reserve Account Provisions. Pursuant to the Indenture, the Reserve Account will be funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purposes set forth in the Indenture. The Reserve Account will be funded

with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the “Reserve Account Requirement” for the Bonds will be an amount equal to the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of calculation, (ii) 125% of average Annual Debt Service on the Bonds as of the date of calculation, and (iii) 10% of the lesser of the par amount of the Outstanding Bonds or the proceeds of the Bonds; provided, however, that, at the option of the City, such amount may be recalculated on any Interest Payment Date or any date of redemption and the City shall provide a City Order to the Trustee with the applicable Reserve Account Requirement. As of the Delivery Date, the Reserve Account Requirement is \$287,263.76, which is an amount equal to the Maximum Annual Debt Service on the Bonds. See “APPENDIX B — Form of Indenture.”

If on any Interest Payment Date, or on any other date as directed by a City Order, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with the Indenture, unless within 30 days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to the Rebate Fund to pay Rebatable Arbitrage, if necessary, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, (iii) to the Improvement Area #4 Bond Improvement Account to pay Improvement Area #4 Costs if such application and the expenditure of funds is expected to occur within three years of the Delivery Date, or (iv) to the Redemption Fund to be applied to the redemption of Bonds.

If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

In the event of an extraordinary optional redemption of Bonds resulting from funds being deposited into the Redemption Fund pursuant to any provision of the Indenture, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the funds on deposit in the Redemption Fund toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed the Trustee shall transfer an amount equal to the shortfall, or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of \$1,000, from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

Delinquency and Prepayment Reserve Requirement. Pursuant to the Indenture, as directed by a City Order, on or before March 15, 2025, and on or before March 15 of each year thereafter, the Trustee shall transfer the Additional Interest from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At the time the Delinquency and Prepayment Reserve Requirement is fully accumulated in the Delinquency and Prepayment Reserve Account, the Trustee shall provide written notice thereof to the City, and thereafter, the Trustee shall begin transferring the Additional Interest to either (i) the Administrative Fund for the payment of Annual Collection Costs or (ii) the Redemption Fund to be used to redeem Bonds, as directed by the City pursuant to a City Order. In the event the Trustee does not receive a City Order directing the transfer of the Additional Interest to the Administrative Fund within 45 days of providing the foregoing notice to the City, the Trustee shall transfer the Additional Interest to the Redemption Fund to redeem Bonds and provide the City with written notification of such transfer. Notwithstanding the foregoing, if at any time the amount on deposit in the Delinquency and Prepayment Reserve Account falls below the Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated therein. In transferring the amounts pursuant to this paragraph, the Trustee may conclusively rely on a City Order (which shall be based on the Annual Installments as shown on the Assessment Roll in the Amended and Restated Service and Assessment Plan) unless and until it receives a City Order directing that a different amount be used. The Delinquency and Prepayment Reserve

Requirement is 5.5% of the principal amount of the Outstanding Bonds. The Additional Interest shall continue to be collected and deposited pursuant to this paragraph until the Bonds are no longer Outstanding.

Whenever, on any Interest Payment Date, or on any other date as directed by a City Order, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund to be used to redeem Bonds pursuant to the extraordinary optional redemption provisions of the Indenture. In the event that the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within 45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds.

Administrative Fund

The City created under the Indenture an Administrative Fund to be held by the Trustee. Upon receipt, the City shall transfer to the Trustee, for deposit to the Administrative Fund, the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs as set forth in the Amended and Restated Service and Assessment Plan, and other funds directed by the Indenture to be deposited therein.

Monies 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 City Order solely for the purposes set forth in the Amended and Restated Service and Assessment Plan, including payment of the Annual Collection Costs and Delinquent Collection Costs. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

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

Defeasance

Any Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding within the meaning of the Indenture (a “Defeased Debt”), when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities that mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds and shall not be part of the Trust Estate. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

Furthermore, all rights of the City to initiate proceedings to call the Defeased Debt for redemption or take any other action amending the terms of the Defeased Debt are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the City: (i) in the proceedings providing for such defeasance, expressly reserves the right to call the Defeased Debt for redemption; (ii) gives notice of the reservation of that right to the owners of the Defeased Debt immediately following the defeasance; (iii) directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (iv) at or prior to the time of the redemption, satisfies the conditions of the preceding paragraph with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

“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 are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current State law, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. Such Investment Securities may include money market funds that are rated in either of the two highest categories by a rating agency, including funds for which the Trustee and/or its affiliates provide investment advisory or other management services; provided that such money market funds are authorized investments described in the PFIA. There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

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

- (i) The failure of the City to deposit to the Pledged Revenue Fund the portion of the Assessment Revenues required to be deposited to such Fund pursuant to the Indenture;
- (ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;
- (iii) Default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture, other than a default under (iv) below, and the continuation thereof for a period of 90 days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and which shall give such notice at the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than 180 days after such notice; and
- (iv) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within 30 days.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained in

the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

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

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City 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 City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing as provided in the Indenture, (ii) such default has become an Event of Default and the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in the Indenture, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers granted in the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right thereunder except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee as advised by counsel, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

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

In case the Trustee or any Owners shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their

former positions and rights 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 Monies After Event of Default

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

- (i) FIRST: To the payment to the registered 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 registered owners entitled thereto, without any discrimination or preference; and
- (ii) SECOND: To the payment to the registered owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due or Redemption Price and to the registered owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners pursuant to the provisions above not later than 30 days after receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

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

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

Investment or Deposit of Funds

Money in any Fund or Account, other than the Reserve Fund, shall be invested by the Trustee in Investment Securities as directed by the City pursuant to a City Order filed with the Trustee; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Order filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Order shall be a certification, upon which the Trustee may conclusively rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold in order to make the disbursements required or permitted by the Indenture or otherwise to prevent any default under the Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee is hereby

directed to invest and reinvest cash balances in Morgan Stanley, Fidelity or Federated family of funds, but only so long as such funds are authorized investments and permitted under the PFIA, or any successor law, and only so long as such investments constitute Investment Securities and the money required to be expended from any Fund will be available at the proper time or times.

Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities as directed pursuant to a City Order.

Against Encumbrances

In the Indenture, the City covenants that other than refunding bonds issued to refund all or a portion of the Outstanding Bonds that are payable from and secured by a parity lien with the Outstanding Bonds on the Trust Estate ("Refunding Bonds") the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

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

Other Obligations or Other Liens; Subordinate Lien Obligations; Refunding Bonds

In the Indenture, the City reserves the right to issue Other Obligations under other indentures, assessment ordinances, or other agreements which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues. The City shall not have the right to issue any bonds, notes or other obligations secured in whole or in part by liens on the Trust Estate that are senior to the lien on the Pledged Revenues securing payment of the Bonds.

Other than Refunding Bonds issued to refund all or a portion of Outstanding Bonds or Outstanding Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be done or omit to be done any matter or thing whatsoever whereby the lien of the Indenture or the priority thereof might or could be lost or impaired; provided, however, that the City has reserved the right to issue bonds or other obligations secured by and payable from the Pledged Revenues so long as such pledge is subordinate to the pledge of the Pledged Revenues securing payment of the Bonds.

Notwithstanding anything in the Indenture to the contrary, no Refunding Bonds may be issued by the City 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 or be subject to mandatory sinking fund redemption on September 15 in each 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 in each of the years in which interest is scheduled to be paid; provided, however, that the foregoing restrictions shall not apply to Refunding Bonds issued to redeem all of the then-Outstanding Bonds.

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SOURCES AND USES OF FUNDS

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

Sources of Funds:

Principal Amount	\$3,270,000.00
Original Issue Discount	<u>(12,587.88)</u>
Total Sources	\$3,257,412.12

Uses of Funds:

Deposit to Improvement Area #4 Bond Improvement Account	\$2,543,435.86
Deposit to Costs of Issuance Account	236,000.00
Deposit to Capitalized Interest Account	62,612.50
Deposit to Reserve Account	287,263.76
Deposit to Administrative Fund	30,000.00
Underwriter's Discount ⁽¹⁾	<u>98,100.00</u>
Total Uses	\$3,257,412.12

⁽¹⁾ Includes Underwriter's Counsel's fee of \$32,700.

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DEBT SERVICE REQUIREMENTS FOR THE BONDS

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

<u>Year Ending (September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024 ⁽¹⁾	\$ -	\$ 62,613	\$ 62,613
2025	43,000	187,838	230,838
2026	45,000	185,849	230,849
2027	47,000	183,768	230,768
2028	49,000	181,594	230,594
2029	51,000	179,328	230,328
2030	53,000	176,969	229,969
2031	54,000	174,518	228,518
2032	57,000	172,020	229,020
2033	59,000	168,671	227,671
2034	63,000	165,205	228,205
2035	66,000	161,504	227,504
2036	69,000	157,626	226,626
2037	73,000	153,573	226,573
2038	77,000	149,284	226,284
2039	81,000	144,760	225,760
2040	85,000	140,001	225,001
2041	90,000	135,008	225,008
2042	95,000	129,720	224,720
2043	100,000	124,139	224,139
2044	106,000	118,264	224,264
2045	112,000	112,036	224,036
2046	119,000	105,456	224,456
2047	126,000	98,465	224,465
2048	133,000	91,063	224,063
2049	204,000	83,249	287,249
2050	216,000	71,264	287,264
2051	228,000	58,574	286,574
2052	242,000	45,179	287,179
2053	256,000	30,961	286,961
2054	<u>271,000</u>	<u>15,921</u>	<u>286,921</u>
Total⁽²⁾	\$3,270,000	\$3,964,415	\$7,234,415

⁽¹⁾ Interest due September 15, 2024 will be paid with funds on deposit in the Capitalized Interest Account.

⁽²⁾ Totals may not add due to rounding

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OVERLAPPING TAXES AND DEBT

Overlapping Taxes

The land within Improvement Area #4 has been, and is expected to continue to be, subject to taxes imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments. The City, Royse City Independent School District (“Royse City ISD”) and Rockwall County, Texas (the “County”) may each levy ad valorem taxes upon land in Improvement Area #4 for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes levied by such other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in Improvement Area #4.

<u>Taxing Entity</u>	<u>Overlapping Taxes</u>			
	<i>Lot Type 8 Without application of TIRZ No. 1 Maximum Annual Credit Amount Tax Year 2023 Ad Valorem Tax Rate</i>	<i>Lot Type 8 With application of TIRZ No. 1 Maximum Annual Credit Amount Tax Year 2023 Ad Valorem Tax Rate</i>	<i>Lot Type 9 Without application of TIRZ No. 1 Maximum Annual Credit Amount Tax Year 2023 Ad Valorem Tax Rate</i>	<i>Lot Type 9 With application of TIRZ No. 1 Maximum Annual Credit Amount Tax Year 2023 Ad Valorem Tax Rate</i>
Rockwall County ⁽¹⁾	\$0.276000	\$0.276000	\$0.276000	\$0.276000
Royse City Independent School District ⁽¹⁾	1.257500	1.257500	1.257500	1.257500
The City ⁽¹⁾	<u>0.584000</u>	<u>0.584000</u>	<u>0.584000</u>	<u>0.584000</u>
<i>Total Current Tax Rate</i>	\$2.117500	\$2.117500	\$2.117500	\$2.117500
Estimated Average Annual Installment of Assessment in Improvement Area #4 as a Tax Rate Equivalent ⁽²⁾	\$0.497966	\$0.497966	\$0.497966	\$0.497966
Estimated Average Annual Installment of Major Improvement Assessment in Improvement Area #4 as a	\$0.114647	\$0.114647	\$0.107903	\$0.107903
TIRZ No. 1 Maximum Annual Credit Amount applicable to Annual Installment of Assessment in Improvement Area #4 as a Tax Rate Equivalent ⁽⁴⁾	—	<u>(\$0.053363)</u>	—	<u>(\$0.046619)</u>
<i>Estimated Net Average Annual Installments in Improvement Area #4 as a Tax Rate Equivalent</i>	<u>\$0.612613</u> ⁽⁵⁾	<u>\$0.559250</u> ⁽⁶⁾	<u>\$0.605869</u> ⁽⁵⁾	<u>\$0.559250</u> ⁽⁶⁾
Estimated Total Tax Rate and Average Annual Installment in Improvement Area #4 as a Tax Rate Equivalent⁽⁷⁾	\$2.730113	\$2.676750	\$2.723369	\$2.676750

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

⁽²⁾ Derived from information presented in the Amended and Restated Service and Assessment Plan. Includes Assessments levied for payment of the Bonds. Does not include the Major Improvement Area Assessments, the Improvement Area #1 Assessments, the Improvement Area #2 Assessments, or the Improvement Area #3 Assessments. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

⁽³⁾ Derived from information presented in the Amended and Restated Service and Assessment Plan. Includes Major Improvement Area Assessments allocated to Improvement Area #4. Improvement Area #4 has been allocated 17.15% of the Major Improvement Area Assessment. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

⁽⁴⁾ Derived from information in the Amended and Restated Service and Assessment Plan. See “ASSESSMENT PROCEDURES — Assessment Amounts – TIRZ Credit” herein. The annual installments of Major Improvement Area Assessments applicable to the Assessed Property will not be reduced by the TIRZ No. 1 Annual Credit Amount.

⁽⁵⁾ Estimated Net Average Annual Installments of Assessments and annual installments of the Major Improvement Area Assessment allocable to Improvement Area #4 as a Tax Rate Equivalent.

⁽⁶⁾ Estimated Net Average Annual Installments of Assessments and annual installments of the Major Improvement Area Assessment allocable to Improvement Area #4 after applying TIRZ No. 1 Maximum Annual Credit Amount to the Annual Installments of Assessments as a Tax Rate Equivalent.

⁽⁷⁾ Totals may not add due to rounding.

Sources: Rockwall Central Appraisal District, Municipal Advisory Council of Texas, the PID Administrator and the City.

Overlapping Debt

As noted above, Improvement Area #4 includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Area #4 and City debt secured by the Assessments:

<u>Taxing or Assessing Entity</u>	<u>Overlapping Debt</u>		
	Gross Outstanding Debt as of February 29, 2024	Estimated Percentage Applicable ⁽¹⁾	Direct and Estimated Overlapping Debt ⁽¹⁾
The City (Assessments – Bonds)	\$ 3,270,000 ⁽²⁾	100.000%	\$ 3,270,000 ⁽²⁾
The City (Assessments – Major Improvement Area Bonds Outstanding)	782,731 ⁽³⁾	100.000%	782,731 ⁽³⁾
The City (Ad Valorem Taxes)	91,310,000	0.445%	405,911
Rockwall County, Texas	137,325,000	0.050%	69,155
Royse City Independent School District	<u>537,884,945</u>	0.212%	<u>1,138,524</u>
Total	<u>\$770,572,676</u>		<u>\$5,666,320</u>

⁽¹⁾ Based on the Tax Year 2023 Net Taxable Assessed Valuations for the taxing entities and an appraised value for Improvement Area #4 of \$10,620,000, as set forth in the Appraisal (as defined herein). See “APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #4” and “APPENDIX G — Appraisal of Improvement Area #4.”

⁽²⁾ Assumes the Bonds are issued.

⁽³⁾ The amount listed in the table represents Improvement Area #4’s allocable share of the outstanding Major Improvement Area Bonds. Derived from information in the Amended and Restated Service and Assessment Plan.

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

Homeowners’ Association

In addition to the Assessments, the Developer anticipates that each lot owner in Improvement Area #4 will pay an annual maintenance and operation fee and/or a property owner’s association fee in the amount of approximately \$655.50 to Waterscape Residential Association, Inc. (the “HOA”), a homeowners’ association formed by the Developer.

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 Amended and Restated Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Area #4 Authorized Improvements (as defined herein) through Assessments, it must adopt a resolution generally describing the Improvement Area #4 Authorized Improvements and the land within Improvement Area #4 to be subject to Assessments to pay the cost therefor. The City has caused an assessment roll to be prepared (the “Assessment Roll”), which Assessment Roll shows the land within Improvement Area #4 to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll was filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and, on April 23, 2024, a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #4 Authorized Improvements and funding a portion of the same with the Assessments. The City levied the Assessments and adopted the Assessment Ordinance on April 23, 2024, upon which the Assessments became legal, valid, and binding liens upon the Assessed Property.

Under the PID Act, the Actual Costs of the Improvement Area #4 Authorized Improvements may be assessed by the City against the assessable property in Improvement Area #4 so long as the special benefit conferred upon the Assessed Property by the Improvement Area #4 Authorized Improvements equals or exceeds the Assessments. The costs of the Improvement Area #4 Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on assessed property similarly benefited. The allocation of benefits and assessments to the benefitted land within Improvement Area #4 is set forth in the Amended and Restated Service and

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

Assessment Methodology

The Amended and Restated Service and Assessment Plan describes the special benefit to be received by each Assessed Property as a result of the Improvement Area #4 Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #4 Authorized Improvements to Parcels in a manner that results in equal shares of costs being apportioned to Parcels similarly benefited. As described in the Amended and Restated Service and Assessment Plan, a portion of the costs of the Improvement Area #4 Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Assessment Revenues. As set forth in the Amended and Restated Service and Assessment Plan, the City Council has determined that the Actual Costs associated with the Improvement Area #4 Authorized Improvements will be allocated to the Assessed Property by spreading the entire Assessment across the Assessed Property based on the ratio of Estimated Buildout Value of each Parcel designated as Assessed Property to the Estimated Buildout Value of all Assessed Property. Currently, the Improvement Area #4 only consists of one Parcel (the “Improvement Area #4 Initial Parcel”), and, as such, the Improvement Area #4 Initial Parcel is allocated 100% of the Improvement Area #4 Authorized Improvements. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

Value to Lien Analysis in Improvement Area #4 of the District⁽¹⁾

<u>Lot Type</u>	<u>No. of Lots</u>	<u>Estimated Finished Lot Value⁽²⁾</u>	<u>Estimated Buildout Value per Lot⁽³⁾</u>	<u>Total Estimated Buildout Value per Lot Type⁽³⁾</u>	<u>Maximum Assessment per Lot⁽⁴⁾</u>	<u>Estimated Ratio of Finished Lot Value to Assessment</u>	<u>Estimated Ratio of Buildout Value to Assessment</u>
40' Lot	58	\$66,000	\$350,000	\$20,300,000	\$19,547.40	3.376 : 1	17.905 : 1
50' Lot	90	80,000	425,000	38,250,000	23,736.12	3.370 : 1	17.905 : 1
Total/Avg.	148	\$74,514	\$395,608	\$58,550,000	\$22,094.59	3.372 : 1	17.905 : 1

⁽¹⁾ Derived from information presented in the Amended and Restated Service and Assessment Plan. Based on the concept plan for the Development (the “Concept Plan”).

⁽²⁾ Estimated finished lot values are based on the actual lot prices in Improvement Area #4 Lot Purchase Agreements. See “THE DEVELOPMENT — Development in Improvement Area #4.”

⁽³⁾ Derived from information presented in the Amended and Restated Service and Assessment Plan.

⁽⁴⁾ Includes only the Assessments. Does not include the Major Improvement Area Assessments allocated to Improvement Area #4. Pursuant to the Amended and Restated Service and Assessment Plan, the Assessment per Lot Type may not exceed the Maximum Assessment (as defined herein). See “— Assessment Amounts – Method of Apportionment of Assessments.”

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

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels similarly benefitted within the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Amended and Restated Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within the District. See “APPENDIX C — Form of Amended and Restated 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 City. The Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney’s fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State,

county, school district or municipal ad valorem taxes. See “BONDHOLDERS’ RISKS — Assessment Limitations” herein.

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

In the Indenture, the City covenants, agrees and warrants that, for so long as any Bonds are Outstanding, it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments. Notwithstanding the foregoing, the City shall be permitted to reduce the Assessments on a Parcel within Improvement Area #4 by the TIRZ No. 1 Annual Credit Amount pursuant to the PID Reimbursement Agreement and the Amended and Restated Service and Assessment Plan; provided, however, that no such reduction shall operate to reduce the amounts levied for the payment of the Annual Collection Costs.

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

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

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

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

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

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

After July, the penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney’s collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts

due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The maximum amounts of the Assessments have been established by the methodology described in the Amended and Restated Service and Assessment Plan. The Assessment Roll sets forth for each year the Annual Installment for each Assessed Property consisting of (i) the annual payment allocable to the Bonds, which amount includes the Additional Interest and (ii) the annual payment allocable to Annual Collection Costs. The Annual Installments for Improvement Area #4 will be determined annually during the Annual Service Plan Update. The Assessments will be levied against the parcels comprising the Assessed Property as indicated on the Assessment Roll. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan” and “APPENDIX F — PID Reimbursement Agreement.”

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds (which amount will include the Additional Interest of the interest costs) 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.

Method of Apportionment of Assessments. For purposes of the Amended and Restated Service and Assessment Plan, the City Council has determined that the Assessments shall initially be allocated entirely to the Improvement Area #4 Initial Parcel.

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

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

Where the terms have the following meaning:

A = the Assessment for the newly divided 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

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the PID 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 the newly subdivided Lots excluding
Non-Benefitted Property

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

The sum of the Assessment for all newly subdivided Lots shall not exceed the Assessment for the portion of the 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 State law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be

reflected in the next Annual Service Plan Update and approved by the City Council. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

The Assessment for any resulting Lot Type may not exceed the “Maximum Assessment” for such Lot Type, which is an amount equal to the lesser of (i) the amount calculated pursuant to Section VI.A of the Amended and Restated Service and Assessment Plan and (ii) the amount shown on Exhibit K to the Amended and Restated Service and Assessment Plan. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

TIRZ Credit. Pursuant to the PID Reimbursement Agreement, the Amended and Restated Service and Assessment Plan and the TIRZ No. 1 Ordinance, the City agreed to use TIRZ No. 1 Revenues generated from each assessed property within the City’s corporate limits, including any Lots annexed by the City in Improvement Area #1, to offset a portion of such Parcel’s annual installment of the Assessment, Improvement Area #1 Assessment, Improvement Area #2 Assessment or Improvement Area #3 Assessment related to the Improvement Area #4 Improvements, Improvement Area #1 Projects, the Improvement Area #2 Improvements or the Improvement Area #3 Improvements, as applicable. The annual installment of the Assessment, Improvement Area #1 Assessment, Improvement Area #2 Assessment or Improvement Area #3 Assessment for each applicable Parcel within the City’s corporate limits will be calculated by taking into consideration any TIRZ No. 1 Annual Credit Amount applicable to such Parcel, as described under “SECURITY FOR THE BONDS — Amount of Assessments May be Reduced by TIRZ Credit” and in “APPENDIX C — Form of Amended and Restated Service and Assessment Plan,” but in no event shall the TIRZ No. 1 Annual Credit Amount exceed the TIRZ No. 1 Maximum Annual Credit Amount. The TIRZ No. 1 Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraised value on the applicable Parcel in any year. Consequently, the TIRZ No. 1 Revenues are generated only if the appraised value of real property on such Parcel in any year is greater than the base value. See “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

TIRZ NO. 1 REVENUES GENERATED FROM THE CAPTURED APPRAISED VALUE FOR EACH PARCEL IN IMPROVEMENT AREA #4 DURING THE DEVELOPMENT OF SUCH PARCEL WILL NOT RESULT IN A TIRZ NO. 1 ANNUAL CREDIT AMOUNT WHICH IS SUFFICIENT TO ACHIEVE THE TIRZ NO. 1 MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ NO. 1 ANNUAL CREDIT AMOUNT MAY NOT PROVIDE FOR THE TIRZ NO. 1 MAXIMUM ANNUAL CREDIT AMOUNT UNTIL THE SECOND YEAR THAT A HOME ON SUCH PARCEL IS ASSESSED. THE ABILITY OF THE TIRZ NO. 1 ANNUAL CREDIT AMOUNT TO PROVIDE FOR THE TIRZ NO. 1 MAXIMUM ANNUAL CREDIT AMOUNT FOR PARCELS WITHIN IMPROVEMENT AREA #4 IS DEPENDENT ON THE ACTUAL HOME PRICES IN IMPROVEMENT AREA #4 MEETING THE PROJECTIONS FOR THE HOME PRICES DESCRIBED IN THE AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN. SEE “OVERLAPPING TAXES AND DEBT” AND “APPENDIX C — FORM OF AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN.” SUCH TIRZ NO. 1 REVENUES ARE NOT PLEDGED AS SECURITY FOR THE BONDS.

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The following table provides the allocation of Assessments for Improvement Area #4 based on Lot Type.

Assessment Allocation by Lot Type in Improvement Area #4⁽¹⁾

Lot Type	Lots	Maximum Assessment per Lot ⁽²⁾	Average Annual Installment per Lot ⁽³⁾	Assessments		Maximum Annual Credit	Net Annual Installment	Net	Net Total
				Equivalent Tax Rate Per \$100 Assessed Value ⁽³⁾	Total Overlapping Equivalent Tax Rate Per \$100 Assessed Value ⁽⁴⁾			Assessment Equivalent Tax Rate Per \$100 Assessed Value ⁽³⁾	Overlapping Equivalent Tax Rate Per \$100 Assessed Value ⁽⁴⁾⁽⁵⁾
40' Lot	58	\$19,547.40	\$1,742.88	\$0.4980	\$2.7301	\$186.77	\$1,556.11	\$0.4446	\$2.6768
50' Lot	90	23,736.12	2,116.35	0.4980	2.7234	198.13	1,918.22	0.4513	2.6768
Total⁽⁶⁾	148	\$22,094.59							

⁽¹⁾ Derived from information presented in the Amended and Restated Service and Assessment Plan. Based on the Concept Plan for the Development.

⁽²⁾ Pursuant to the Amended and Restated Service and Assessment Plan, the Assessment per Lot Type may not exceed the Maximum Assessment. Includes Assessments levied for payment of the Bonds. Does not include the Major Improvement Area Assessments, the Improvement Area #1 Assessments, the Improvement Area #2 Assessments, or the Improvement Area #3 Assessments.

⁽³⁾ Includes Assessments levied for payment of the Bonds. Does not include the Major Improvement Area Assessments, the Improvement Area #1 Assessments, the Improvement Area #2 Assessments, or the Improvement Area #3 Assessments. See "OVERLAPPING TAXES AND DEBT — Overlapping Taxes" and "APPENDIX C — Form of Amended and Restated Service and Assessment Plan."

⁽⁴⁾ Includes the Assessments, the Major Improvement Area Assessments allocable to Improvement Area #4 and the 2023 ad valorem tax rate for the City, the County and Royle City ISD. Pursuant to the Amended and Restated Service and Assessment Plan, the TIRZ No. 1 Maximum Annual Credit Amount means, for each Lot type, the amount shown on Exhibit L to the Amended and Restated Service and Assessment Plan. The TIRZ No. 1 Maximum Annual Credit Amount was calculated based on the amount of TIRZ No. 1 Revenues that results in a total equivalent tax rate of \$3.04 per \$100 of assessed value for such Lot type (based on 2019 tax rates) taking into consideration the tax rates of all applicable overlapping taxing units and the equivalent tax rate of the Annual Installment of an Assessment for such Lot, based on assumed buildout at the time the City Council approves the Assessment Ordinance levying the Assessments.

⁽⁵⁾ For illustration purposes only. The annual installment of Assessments for each Parcel within Improvement Area #4 will be calculated by taking into consideration any TIRZ No. 1 Annual Credit Amount applicable to such Parcel, as described under "SECURITY FOR THE BONDS — Amount of Assessments May be Reduced by TIRZ Credit," but in no event shall the TIRZ No. 1 Annual Credit Amount exceed the TIRZ No. 1 Maximum Annual Credit Amount. The ability of the TIRZ No. 1 Annual Credit Amount to provide the TIRZ No. 1 Maximum Annual Credit Amount is dependent on the actual home prices in Improvement Area #4 meeting the projections for the estimated assessed value per lot. There is no guarantee that there will be sufficient TIRZ No. 1 Revenues to provide for the TIRZ No. 1 Maximum Annual Credit Amount. See "OVERLAPPING TAXES AND DEBT — Overlapping Taxes" and "APPENDIX C — Form of Amended and Restated Service and Assessment Plan."

⁽⁶⁾ Totals may not add due to rounding.

Prepayment of Assessments

Voluntary Prepayment. Pursuant to the PID Act and the Indenture, the owner of any property assessed may voluntarily prepay (a "Prepayment") all or part of any Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Assessments.

Mandatory Prepayment. If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel, or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel, or portion thereof shall pay to the City or cause to be paid to the City the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment.

True-Up of Assessments if Maximum Assessment Exceeded at Plat. Prior to the City approving a final subdivision plat for Improvement Area #4, the PID Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type within Improvement Area #4 to exceed the Maximum Assessment. If the PID Administrator determines that the resulting assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat.

The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

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

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

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

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

Reduction of Assessments. If Actual Costs of completed Improvement Area #4 Improvements are less than the Assessments, the Trustee shall apply amounts on deposit in the Project Fund that are not expected to be used for purposes of the Project Fund to redeem outstanding Bonds. Excess Bond proceeds shall be applied to redeem outstanding Bonds.

Allocating Annual Installments. Any amounts collected from annual installments paid by the owner of Assessed Property shall be allocated, on a pro rata basis to amounts due for the Major Improvement Area Bonds and the Bonds, including any amounts due for Additional Interest and Annual Collection Costs.

Priority of Lien

The Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipal ad valorem taxes, and are a personal liability of and charge

against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Assessment is paid and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any property assessed may pay the entire Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. See “ASSESSMENT PROCEDURES — Prepayment of Assessments.”

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Assessments on homestead property (unless the lien associated with the assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

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

In the Indenture, the City covenants to take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See “APPENDIX B — Form of Indenture.” See also “APPENDIX E-1 — Form of Disclosure Agreement of Issuer” for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

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

THE CITY

Background

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

City Government

The City is a political subdivision and is a home rule municipality of the State, duly organized and existing under the laws of the State, including the City’s Home Rule Charter. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six City Council members who are elected at-large

for staggered two-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administrative officer.

The current members of the City Council and their respective expiration of terms of office and the principal administrators of the City are shown on page i hereof. General information regarding the City and the surrounding area can be found in “APPENDIX A — General Information Regarding the City and Surrounding Area.”

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by a resolution adopted by the City Council on October 11, 2016 (the “Creation Resolution”) for the purpose of undertaking and financing, in phases, the cost of certain public improvements within the District, including the Improvement Area #4 Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the portion of the District property being developed in a phase. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page iv hereof.

Powers and Authority of the City

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

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction, or improvement of the Improvement Area #4 Improvements. See “THE IMPROVEMENT AREA #4 AUTHORIZED IMPROVEMENTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain streets, water, sanitary sewer, and storm drainage public improvements within Improvement Area #4 of the District and outside of the District comprising the Improvement Area #4 Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Amended and Restated Service and Assessment Plan.”

Utilities

Pursuant to the Development Agreement, the City has agreed to be the retail provider of both water and wastewater service to the District. See “THE DEVELOPMENT — The Development Agreement.” The City contracts with the North Texas Municipal Water District (“NTMWD”) to meet the City’s water supply and sewage treatment and disposal needs. The City also owns various facilities including storage and pump facilities, water distribution and sewage collection lines, meters, valves, and other facilities necessary to provide water and sewer service to its customers. The City then charges its customers such rates that are sufficient for pay the City’s obligations to NTMWD and to pay for the maintenance, operation, and improvement of the City’s water and sewer facilities. Upon final plat of Improvement Area #4, the City will reserve capacity in its water distribution and wastewater treatment systems to serve Improvement Area #4.

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District Collection and Delinquency of Assessments

Improvement Area #1. On December 12, 2017, the City levied the Improvement Area #1 Assessments on assessable property in Improvement Area #1, through the City Council’s adoption of an assessment ordinance and approval of the initial service and assessment plan for the District (the “Service and Assessment Plan”). The initial annual installments of Improvement Area #1 Assessments were billed in October of 2018 and became due and payable on or before January 31, 2019. The following table shows the collection and delinquency history of the Improvement Area #1 Assessments.

<u>Collection and Delinquency History of Improvement Area #1 Assessments</u>							
<u>Assessments Due 1/31⁽¹⁾</u>	<u>Total Annual Installments Levied</u>	<u>Parcels Levied</u>	<u>Delinquent Amount as of 2/1</u>	<u>Delinquent Percentage as of 2/1</u>	<u>Delinquent Amount as of 9/1</u>	<u>Delinquent Percentage as of 9/1</u>	<u>Total Annual Installments Collected⁽²⁾</u>
2019	\$461,556.94	1	-	-	-	-	\$461,556.94
2020	\$483,848.29	275	\$22,047.91	4.56%	-	-	\$483,848.29
2021	\$448,532.23	275	\$26,805.78	5.98%	\$1,694.00	0.38%	\$446,838.22
2022	\$436,196.98	275	\$ 7,699.34	1.77%	-	-	\$436,196.98
2023	\$441,389.16	275	\$14,537.35	3.29%	-	-	\$441,389.16
2024	\$441,586.94	275	\$22,742.42	5.15%	N/A	N/A	\$421,193.50 ⁽³⁾

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments (“Installment Payments”). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ Excludes penalties and interest and any prepayments of Improvement Area #1 Assessments.

⁽³⁾ Collections as of February 29, 2024.

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

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Improvement Area #2. On November 19, 2019, the City levied the Improvement Area #2 Assessments on assessable property in Improvement Area #2, through the City Council’s adoption of an assessment ordinance and approval of an amended and restated service and assessment plan (the “2019 Amended and Restated SAP”), which amended and restated the Service and Assessment Plan in its entirety. The initial annual installments of Improvement Area #2 Assessments were billed in October of 2020 and became due and payable on or before January 31, 2021. The following table shows the collection and delinquency history of the Improvement Area #2 Assessments.

<u>Collection and Delinquency History of Improvement Area #2 Assessments</u>							
Assessments <u>Due 1/31⁽¹⁾</u>	Total Annual Installments <u>Levied⁽²⁾</u>	Parcels <u>Levied</u>	Delinquent Amount <u>as of 2/1</u>	Delinquent Percentage <u>as of 2/1</u>	Delinquent Amount <u>as of 9/1</u>	Delinquent Percentage <u>as of 9/1</u>	Total Annual Installments <u>Collected⁽³⁾</u>
2021	\$620,336.70	130	-	-	-	-	\$620,336.70
2022	\$606,080.88	354	-	-	-	-	\$606,080.88
2023	\$417,119.03	354	\$8,480.40	2.03%	-	-	\$417,119.03
2024	\$379,898.51	354	\$8,456.79	2.23%	N/A	N/A	\$373,941.93 ⁽⁴⁾

(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) Net of TIRZ No. 1 Annual Credit Amount.

(3) Excludes penalties and interest and any prepayments of Improvement Area #2 Assessments.

(4) Collections as of February 29, 2024.

THE COLLECTION AND DELINQUENCY HISTORY OF THE IMPROVEMENT AREA #2 ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE IMPROVEMENT AREA #2 ASSESSMENTS. THE IMPROVEMENT AREA #2 ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

Improvement Area #3. On August 9, 2022, the City levied the Improvement Area #3 Assessments on assessable property in Improvement Area #3, through the City Council’s adoption of an assessment ordinance and approval of an amended and restated service and assessment plan (the “2022 Amended and Restated SAP”), which amended and restated the 2019 Amended and Restated SAP in its entirety. The initial annual installments of Improvement Area #3 Assessments were billed in October of 2022 and became due and payable on or before January 31, 2023. The following table shows the collection and delinquency history of the Improvement Area #3 Assessments.

<u>Collection and Delinquency History of Improvement Area #3 Assessments</u>							
Assessments <u>Due 1/31⁽¹⁾</u>	Total Annual Installments <u>Levied</u>	Parcels <u>Levied</u>	Delinquent Amount <u>as of 2/1</u>	Delinquent Percentage <u>as of 2/1</u>	Delinquent Amount <u>as of 9/1</u>	Delinquent Percentage <u>as of 9/1</u>	Total Annual Installments <u>Collected⁽²⁾</u>
2023	\$637,869.51	2	-	-	-	-	\$637,869.51
2024	\$625,619.30	325	\$26,819.04	4.29%	N/A	N/A	\$609,962.35 ⁽³⁾

(1) Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments (“Installment Payments”). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

(2) Excludes penalties and interest and any prepayments of Improvement Area #3 Assessments.

(3) Collections as of February 29, 2024.

THE COLLECTION AND DELINQUENCY HISTORY OF THE IMPROVEMENT AREA #3 ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE IMPROVEMENT AREA #3 ASSESSMENTS. THE IMPROVEMENT AREA #3 ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

Major Improvement Area. On December 12, 2017, the City levied the Major Improvement Area Assessments on assessable property in the Major Improvement Area, through the City Council's adoption of an assessment ordinance and approval of the Service and Assessment Plan. Upon such adoption, the Major Improvement Area Assessments became legal, valid and binding liens upon the property against which the Major Improvement Assessments are made. The initial annual installments of Major Improvement Area Assessments were billed in October of 2018 and became due and payable on or before January 31, 2019. The following table shows the collection and delinquency history of the Major Improvement Area Assessments.

<u>Collection and Delinquency History of Major Improvement Area Assessments</u>							
Assessments Due 1/31 ⁽¹⁾	Total Annual Installments Levied	Parcels Levied	Delinquent Amount as of 2/1	Delinquent Percentage as of 2/1	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Total Annual Installments Collected ⁽²⁾
2019	\$185,713.74	1	-	-	-	-	\$185,713.74
2020	\$406,177.23	2	-	-	-	-	\$406,177.23
2021	\$396,513.67	131	-	-	-	-	\$396,513.67
2022	\$386,449.30	356	-	-	-	-	\$386,449.30
2023	\$383,082.08	356	\$3,397.69	0.89%	-	-	\$383,082.08
2024	\$377,166.81	680	\$10,004.13	2.65%	N/A	N/A	\$370,885.73 ⁽³⁾

(1) Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

(2) Excludes penalties and interest and any prepayments of the Major Improvement Area Assessments.

(3) Collections as of February 29, 2024.

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

THE IMPROVEMENT AREA #4 AUTHORIZED IMPROVEMENTS

General

The "Improvement Area #4 Authorized Improvements" consist of (i) the Improvement Area #4 Improvements, (ii) the Bond Issuance Costs (as defined below) and (iii) the initial deposit to the Administrative Fund. A portion of the costs of construction of the Improvement Area #4 Authorized Improvements will be funded with proceeds of the Bonds. The balance of the costs of the Improvement Area #4 Authorized Improvements will be paid by the Developer without reimbursement by the City.

Improvement Area #4 Authorized Improvements

Improvement Area #4 Improvements.

Street Improvements. Street improvements include subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #4.

Water and Sanitary Sewer Improvements. Water and sanitary sewer improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide water and wastewater service to all Lots within Improvement Area #4.

Storm Drainage Improvements. Storm drainage improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Improvement Area #4.

Soft Costs. Soft costs include engineering and design, construction inspection fees, geotechnical testing, governmental submittal fees, and 2% contractor completion bonds for the Improvement Area #4 Improvements described above.

Bond Issuance Costs. The Bond Issuance Costs include (i) the deposit to the Reserve Account, (ii) the Underwriter's discount, (iii) capitalized interest and (iv) costs associated with issuing the Bonds.

Deposit to Administrative Fund. Includes the deposit to the Administrative Fund to pay for the first year's Annual Collection Costs.

Costs of Improvement Area #4 Authorized Improvements

The Developer is responsible for the completion of the construction, acquisition or purchase of the Improvement Area #4 Improvements, and the Developer or its designee will act as construction manager. The City will pay project costs for the Improvement Area #4 Improvements from proceeds of the Bonds. The Developer will submit reimbursement requests on a monthly basis for costs actually incurred in developing and constructing the Improvement Area #4 Improvements and be reimbursed in accordance with the Indenture and the PID Reimbursement Agreement. See "THE DEVELOPMENT — Development Plan."

The following table reflects the total estimated costs of the Improvement Area #4 Authorized Improvements.

<u>Estimated Costs of Improvement Area #4 Authorized Improvements</u>	
	<u>Costs⁽¹⁾</u>
<u>Improvement Area #4 Improvements</u>	
Streets	\$1,504,099
Water/Sanitary Sewer	1,211,556
Storm Drainage	170,609
Soft Costs	<u>644,741</u>
<i>Subtotal</i>	<i>\$3,531,005</i>
<u>Bond Issuance Costs</u>	
Reserve Account	\$ 287,264
Capitalized Interest	62,613
Costs of Issuance	236,000
Underwriter's Discount	<u>98,100</u>
<i>Subtotal</i>	<i>\$ 683,976</i>
<u>Deposit to Administrative Fund</u>	\$ 30,000
Total⁽¹⁾	<u>\$4,244,981</u>

⁽¹⁾ Totals may not add due to rounding.

The total costs of the Improvement Area #4 Authorized Improvements are expected to be approximately \$4,244,981. A portion of such costs, in the amount of \$3,257,412, will be funded with proceeds of the Bonds. The remaining costs, in the approximate amount of \$987,569, have been or will be paid by a contribution from the Developer without reimbursement by the City.

The Appraisal estimates that the fee simple retail market value of the 148 lots within Improvement Area #4 of the District under certain conditions, including the construction of the Improvement Area #4 Improvements and the Major Improvements necessary to serve lots within Improvement Area #4, is \$10,620,000. The Appraisal is attached hereto as APPENDIX G and should be read in its entirety in order to understand the meaning and basis of the information set forth therein. The Appraisal is addressed to the City and the Underwriter. The estimates of value

presented in the Appraisal are no indication of the appraised property's actual market value. Investors should not assume that the disposition of the lots in Improvement Area #4 of the District in the event of default would provide sufficient funds to pay the principal of Bonds outstanding at that time. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions, and qualifications, which are set forth in the Appraisal. See "APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #4" for further information regarding the Appraisal, including with respect to such assumptions, hypothetical conditions, and qualifications.

Ownership and Maintenance of Improvement Area #4 Improvements

The Improvement Area #4 Improvements will be dedicated to and accepted by the City and will constitute a portion of the City's infrastructure improvements. The City will provide for the ongoing operation, maintenance and repair of the Improvement Area #4 Improvements constructed and conveyed, as outlined in the Amended and Restated Service and Assessment Plan.

THE DEVELOPMENT

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

Overview

The Development is an approximately 432-acre master planned project, a portion of which is located partially within the extraterritorial jurisdiction of the City and a portion of which is located within the corporate limits of the City, at the intersection of FM 548 and Crenshaw Road. The City, located in the northeast region of the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (the "DFW MSA"), is poised for significant growth as the overall DFW MSA continues its growth trajectory.

Development Plan

The Landowners expect to complete the Development in five phases, consisting of the development of Improvement Areas #1-4 within the District and Improvement Area #5, which is adjacent to the District. Waterscape 4 intends to petition the City to create a separate public improvement district over Improvement Area #5. The first phase of construction of the Development began in March of 2017, with the construction of the Improvement Area #1 Projects and the Major Improvement Area Projects. Waterscape LLC began the second phase of the development, consisting of the construction of the Improvement Area #2 Improvements, in March of 2019. The Developer began the third phase of the development, consisting of the construction of the Improvement Area #3 Improvements, in June 2021, and the fourth phase of the development, consisting of the construction of the Improvement Area #4 Improvements, in September 2023. The fifth phase will consist of construction of the infrastructure to serve Improvement Area #5 and Waterscape 4 expects to begin such construction within 12 months of completion of the Improvement Area #4 Improvements.

Upon completion of lots, including Improvement Area #5, estimated to occur in 2026, the Development is expected to consist of approximately 1,422 single-family residential lots, including 275 in Improvement Area #1, 354 in Improvement Area #2, 325 in Improvement Area #3, approximately 148 in Improvement Area #4, and approximately 320 in Improvement Area #5. The Developer also anticipates that Improvement Area #5 will include a school. See "MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT."

The District is planned to include 1,102 lots, consisting of three different residential product types: 40' Lots (also referred to as "Type 1 Lot"), 50' Lots (also referred to as "Type 2 Lot") and 60' Lots (also referred to as "Type 3 Lot"). Improvement Area #1 includes 177 Type 2 Lots and 98 Type 3 Lots (including the four existing model homes and five additional lots held for future model homes), Improvement Area #2 includes 218 Type 2 Lots and 136 Type 3 Lots, Improvement Area #3 includes 81 Type 1 Lots, 127 Type 2 Lots and 117 Type 3 Lots, and Improvement Area #4 will include 58 Type 1 Lots and 90 Type 2 Lots.

The actual and expected number of single-family residential units within Improvement Area #1, Improvement Area #2, Improvement Area #3 and Improvement Area #4 by Lot Type is shown in the following table.

Actual and Expected Single-family Residential Units Within the District

<u>Lot Type</u>	<u>Improvement Area #1</u>	<u>Improvement Area #2⁽¹⁾</u>	<u>Improvement Area #3</u>	<u>Improvement Area #4</u>	<u>Total number of Lots</u>
Type 1 Lot (40')	-	-	81	58	139
Type 2 Lot (50')	177	218	127	90	612
Type 3 Lot (60') ⁽²⁾	<u>98</u>	<u>136</u>	<u>117</u>	<u>-</u>	<u>351</u>
Total	<u>275</u>	<u>354</u>	<u>325</u>	<u>148</u>	<u>1,102</u>

⁽¹⁾ Eleven 60' Lots within Improvement Area #2 will have pad widths of 40' and will be sold as Type 2 Lots (50').

⁽²⁾ Four of the Type 3 Lots in Improvement Area #1 contain model homes and five additional Type 3 Lots in Improvement Area #1 are being held for future model homes.

The previously completed buildout of the single-family lots within Improvement Area #1, Improvement Area #2 and Improvement Area #3 of the District and the Developer's current expectations regarding the buildout of the single-family lots within Improvement Area #4 and sale of single-family lots to homebuilders therein are shown in the following table.

Actual and Expected Buildout Schedule of Single-family Lots Within the District

<u>Improvement Area</u>	<u>Single-family Lots</u>	<u>Actual/Expected Infrastructure Completion Date</u>	<u>Actual/Expected Initial Sale Date of Single-family Lots to Homebuilders</u>	<u>Expected Final Sale Date of Single-family Lots to Homebuilders</u>
1	275	September 2018 ⁽¹⁾	December 2018 ⁽¹⁾	March 2020 ⁽¹⁾
2	354	1Q 2020	1Q 2020	3Q 2021
3	325 ⁽²⁾	3Q 2022	3Q 2022	1Q 2023
4	<u>148</u>	2Q 2024	2Q 2024	2Q 2025
Total	<u>1,102</u>			

⁽¹⁾ Information does not include four lots within Improvement Area #1 containing model homes and five lots being held by the Developer for future model homes.

⁽²⁾ Two lots within Improvement Area #3 are reserved for future homebuilders.

Development in Improvement Area #1, Improvement Area #2 and Improvement Area #3

The respective Landowner has completed construction of the Improvement Area #1 Improvements, Improvement Area #2 Improvements, Improvement Area #3 Improvements, and the Major Improvements (except for landscape and hardscape improvements expected to be complete in August 2024), all of which have been accepted by the City.

Parker Creek LP has entered into the Improvement Area #1 Lot Purchase Agreements with Bloomfield, Highland, History Maker, Impression and Tri Pointe for 270 of the 275 single-family lots within Improvement Area #1. Parker Creek LP is reserving the remaining five lots for future model homes in case new homebuilders are brought in for Improvement Area #4 or Improvement Area #5. As of February 29, 2024, the Improvement Area #1 Homebuilders have purchased 270 completed lots, finished construction of 269 homes and sold 265 homes (including homes under contract, but not yet closed on) to individual homeowners.

Waterscape LLC has entered into the Improvement Area #2 Lot Purchase Agreements with Bloomfield, Highland, History Maker, Impression and St. Vincent for all 354 single-family lots within Improvement Area #2. As of February 29, 2024, the Improvement Area #2 Homebuilders have purchased 354 completed lots, finished construction of 354 homes and sold 354 homes (including homes under contract, but not yet closed on) to individual homeowners.

The Developer and/or Waterscape LLC have entered into the Improvement Area #3 Lot Purchase Agreements with Highland, History Maker, Impression and Tri Pointe for 323 of the 325 planned single-family lots within Improvement Area #3. Two lots within Improvement Area #3 are reserved for future homebuilders. As of February 29, 2024, the Improvement Area #3 Homebuilders have purchased 294 completed lots, finished construction of 132 homes and sold 122 homes (including homes under contract, but not yet closed on) to individual homeowners.

The table below shows the status of lot and home construction within Improvement Area #1, Improvement Area #2, and Improvement Area #3, as of February 29, 2024.

**Status of Single-family Lot and Home Construction in
Improvement Area #1, Improvement Area #2, and Improvement Area #3⁽¹⁾**

<u>Improvement Area</u>	<u>Lot Type</u>	<u>Total No of Lots</u>	<u>Completed Lots</u>	<u>Total Builder Contracted Lots⁽²⁾</u>	<u>Builder Contracted Lots Taken-down⁽²⁾</u>	<u>Homes Under Construction</u>	<u>Completed Homes Not Sold to Residents</u>	<u>Homes Under Contract or Sold to Residents</u>	<u>Actual/ Expected final Sale Date to Residents</u>
1	Type 2 Lot (50')	177	177	177	177	0	0	177	4Q 2022
1	Type 3 Lot (60')	98	98	93	93	1	4	88	4Q 2025 ⁽²⁾
2	Type 2 Lot (50')	218	218	218	218	0	0	218	1Q 2023
2	Type 3 Lot (60')	136	136	136	136	0	0	136	1Q 2023
3	Type 1 Lot (40')	81	81	81	77	17	5	41	4Q 2025
3	Type 2 Lot (50')	127	127	125	113	52	5	35	4Q 2025
3	Type 3 Lot (60')	<u>117</u>	<u>117</u>	<u>117</u>	<u>104</u>	<u>35</u>	<u>4</u>	<u>46</u>	4Q 2025
Total		954	954	947	918	105	18	741	

⁽¹⁾ As of February 29, 2024.

⁽²⁾ Lot totals include model homes. The Developer is reserving the remaining five lots in Improvement Area #1 for future model homes in case new homebuilders are brought in for Improvement Area #4 or Improvement Area #5.

The single-family residential lot and average home prices in Improvement Area #1, Improvement Area #2, and Improvement Area #3, as of February 29, 2024, are as follows:

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

<u>Lot Type</u>	<u>Quantity</u>	<u>Base Lot Price⁽¹⁾</u>	<u>Average Home Price⁽²⁾</u>
Type 2 Lot (50')	177	\$35,000	\$269,613
Type 3 Lot (60')	<u>98</u>	42,000	283,868
Total	275		

⁽¹⁾ Based on actual lot prices in Improvement Area #1 Lot Purchase Agreements. Does not include marketing fee, amenity fee, natural gas fee and cluster mailbox fee.

⁽²⁾ Based on homes actually sold, as of February 29, 2024.

Single-family Lot and Home Prices in Improvement Area #2

<u>Lot Type</u>	<u>Quantity</u>	<u>Base Lot Price⁽¹⁾</u>	<u>Average Home Price⁽²⁾</u>
Type 2 Lot (50')	218	\$43,773	\$352,612
Type 3 Lot (60')	<u>136</u>	51,000	333,594
Total	354		

⁽¹⁾ Based on the average of the actual lot prices in Improvement Area #2 Lot Purchase Agreements. Does not include marketing fee, amenity fee, natural gas fee and cluster mailbox fee.

⁽²⁾ Based on homes actually sold, as of February 29, 2024.

Single-family Lot and Home Prices in Improvement Area #3

<u>Lot Type</u>	<u>Quantity</u>	<u>Base Lot Price⁽¹⁾</u>	<u>Average Home Price⁽²⁾</u>
Type 1 Lot (40')	81	\$44,000	\$355,319
Type 2 Lot (50')	127	55,000	422,134
Type 3 Lot (60')	<u>117</u>	65,000	355,883
Total	325		

⁽¹⁾ Based on the actual lot prices in Improvement Area #3 Lot Purchase Agreements. Does not include marketing fee, amenity fee, natural gas fee and cluster mailbox fee.

⁽²⁾ Based on homes actually sold, as of February 29, 2024.

Development in Improvement Area #4

Development Plan. Improvement Area #4 is expected to include approximately 148 lots, consisting of 58 Type 1 Lots and 90 Type 2 Lots. The Developer began construction of the Improvement Area #4 Improvements in September 2023 and expects to complete such construction by May 2024. As of February 29, 2024, the Developer has spent approximately \$3,179,022 on constructing the Improvement Area #4 Improvements. The Improvement Area #4 Homebuilders will begin to take down lots within Improvement Area #4 pursuant to the Improvement Area #4 Lot Purchase Agreements upon substantial completion of the Improvement Area #4 Improvements.

Homebuilders and Lot Purchase Agreements. The Developer has entered into the Improvement Area #4 Lot Purchase Agreements with Highland Homes and History Maker for 128 of the 148 planned single-family lots within Improvement Area #4. Pursuant to the Improvement Area #4 Lot Purchase Agreements, Highland Homes has contracted to purchase 29 Type 1 Lots and 35 Type 2 Lots and History Maker has contracted to purchase 29 Type 1 Lots and 35 Type 2 Lots. At this time, the Developer intends to enter into a lot purchase agreement with one additional homebuilder for the 20 remaining lots.

Pursuant to the Improvement Area #4 Lot Purchase Agreements with Highland Homes, Highland Homes is required to take down no later than 15 days after substantial completion of Improvement Area #4, all lots under contract in Improvement Area #4.

Pursuant to the Improvement Area #4 Lot Purchase Agreements with History Maker, History Maker is required to take down no later than 10 days after substantial completion of Improvement Area #4, all lots under contract in Improvement Area #4.

The Improvement Area #4 Homebuilders collectively have deposited \$1,414,200 in earnest money, of which \$707,100 was deposited by Highland Homes and \$707,100 was deposited by History Maker. The earnest money will be credited back to the respective Improvement Area #4 Homebuilder at closing of all lots by each respective homebuilder, in accordance with the applicable Improvement Area #4 Lot Purchase Agreement.

Pursuant to the Improvement Area #4 Lot Purchase Agreements with Highland Homes and History Maker, if substantial completion of Improvement Area #4 does not occur on or before September 1, 2024, the Developer shall proceed to complete the work as soon as reasonably possible, and if such delay extends beyond one hundred and twenty (120) days (the "Extended Scheduled Completion Date"), such homebuilder may, by written notice to the Developer within ten days after expiration of the Extended Scheduled Completion Date, either extend the respective scheduled completion date under the applicable Improvement Area #4 Lot Purchase Agreement up to two times for up to six months on each occasion or terminate such agreement. If terminated, the earnest money provided under the applicable Improvement Area #4 Lot Purchase Agreement shall be returned to the applicable homebuilder.

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Buildout and Sale Schedule of Lots within Improvement Area #4. The actual and anticipated schedule for sale of single-family lots to the Improvement Area #4 Homebuilders by Lot Type within Improvement Area #4, pursuant to the Improvement Area #4 Lot Purchase Agreements, are shown in the following tables.

Expected Sale of Single-family Lots to Homebuilders by Lot Type in Improvement Area #4

<u>Year End</u>	<u>40' Lot</u>	<u>50' Lot</u>	<u>Total Lots</u>
2024	58	70	128
2025 ⁽¹⁾	-	20	20
Total	58	90	148

⁽¹⁾ The 20 lots expected to be taken down in 2025 are currently not under contract with homebuilders.

The actual and anticipated schedule for sale of single-family homes to homeowners within Improvement Area #4 by Lot Type are shown in the following tables.

Expected Sale of Single-family Homes to Homeowners by Lot Type in Improvement Area #4

<u>Year End</u>	<u>40' Lot</u>	<u>50' Lot</u>	<u>Total Lots</u>
2024	22	36	58
2025	36	46	82
2026	-	8	8
Total	58	90	148

Estimated Lot and Home Prices in Improvement Area #4. The Developer's current expectations regarding single-family residential lot and home prices in Improvement Area #4 are as follows:

Estimated Single-family Lot and Home Prices in Improvement Area #4

<u>Lot Type</u>	<u>Quantity</u>	<u>Base Lot Price⁽¹⁾</u>	<u>Average Home Price⁽²⁾</u>
Type 1 Lot (40')	58	\$66,000	\$350,000
Type 2 Lot (50')	90	\$80,000	\$425,000
Total	148		

⁽¹⁾ Based on the actual lot prices in Improvement Area #4 Lot Purchase Agreements. Does not include marketing fee, amenity fee, natural gas fee and cluster mailbox fee.

⁽²⁾ Provided by the Developer, as shown in the Amended and Restated Service and Assessment Plan.

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Photographs of the Development

The photograph below depicts the main entrance to the Development.



The photograph below depicts the amenity pond within the Development.



The photograph below depicts the fountain in the amenity pond within the Development.



The following photographs depict the Amenity Center within the District.





The photographs below depict the current progress of development within the District.







The photograph below depicts a model home constructed by Highland on a 60' Lot.



The photograph below depicts a model home constructed by Impression on a 60' Lot.



The photograph below depicts a model home constructed by History Maker on a 60' Lot.



The photograph below depicts a model home constructed by Bloomfield on a 60' Lot.



The Development Agreement

The City and Parker Creek LP entered into the Parker Creek Development Agreement, effective as of May 31, 2016 (the “Original Development Agreement”), which provided among other things, certain rules and regulations for the design and construction of the Authorized Improvements, including the Improvement Area #4 Improvements, Parker Creek’s intent for the development of property within the District, the timing and process for the annexation of the property within the District, the dissolution of the MUD, and each party’s rights and obligations related to development of the property within the District. Pursuant to the Original Development Agreement, development of the property within the District is subject only to the City subdivision and other regulations expressly set forth in the Original Development Agreement.

The City and the Original Landowners entered into the Amended and Restated Development Agreement (Waterscape (F.K.A. Parker Creek)), effective as of October 22, 2019 (the “Amended and Restated Development Agreement”) for the purposes of, among others, setting forth new timing and processes for annexation of the property within the District and providing for the acquisition and development of Improvement Area #5. The Amended and Restated Development Agreement amended and restated the Original Development Agreement in its entirety. Pursuant to the Partial Assignment of Amended and Restated Development Agreement, Parker Creek LP assigned the Developer all of its right, title and interest to the Amended and Restated Development Agreement with respect to the land acquired by the Developer. The City, the Developer, Waterscape LLC, Parker Creek LP and Waterscape 4 entered into an Addendum to the Amended and Restated Development Agreement (Waterscape (F.K.A. Parker Creek)) (the “Development Agreement Addendum” and, together with the Amended and Restated Development Agreement, the “Development Agreement”), effective as of August 9, 2022, to reflect the subdivision and reclassification of the Original Improvement Area #3 into Improvement Area #3 and Improvement Area #4.

Pursuant to the Development Agreement, the Landowners will fund the construction of capital improvements and facility expansions required to develop the District and included in the City’s Capital Improvements Plan or Water Master Plan at the time of construction (the “Off-Site Water Improvements”). To the extent such Off-Site Water Improvements provide a special benefit to the District, they will be funded with the proceeds of bonds issued pursuant to the PID Act. The remaining costs of such Off-Site Water Improvements shall be reimbursed to the Landowners by a refund of a portion of the water impact fees collected from the development of the property within the District. Pursuant to the Development Agreement, the City will refund 40% of the water impact fees collected from the

development of the District until the Landowners have been reimbursed for 40% of the total costs of the Off-Site Water Improvements and 100% of the Landowners' costs to acquire easements for the Off-Site Water Improvements.

Under the Development Agreement, the Original Landowners agreed to construct certain roadway improvements, including improvements for the portion of Crenshaw Road adjacent to the District (the "Crenshaw Road Improvements") and a Texas Department of Transportation intersection (the "TxDOT Intersection"). A portion of the Crenshaw Road Improvements and the TxDOT Intersection are considered Major Improvements and the costs of such improvements have been allocated to Improvement Area #1, Improvement Area #2, Improvement Area #3 and Improvement Area #4, in accordance with the Amended and Restated Service and Assessment Plan. The Original Landowners completed such improvements in December 2021.

The Development Agreement required the City to do the following prior to the issuance of the 2019 Bonds: (a) create TIRZ No. 1, (b) adopt the TIRZ No. 1 Ordinance approving the TIRZ No. 1 Project Plan that causes the City to contribute the TIRZ No. 1 Annual Credit Amount in an amount not to exceed the TIRZ No. 1 Maximum Annual Credit Amount for the term of the Improvement Area #2 Bonds, Improvement Area #3 Bonds and the Bonds for the purpose of paying for a portion of the Authorized Improvements for which the Improvement Area #1 Assessments, the Improvement Area #2 Assessments, the Improvement Area #3 Assessments, and the Assessments were levied, and (c) enter into the PID Reimbursement Agreement under which the City agrees to collect and apply the TIRZ No. 1 Revenues as described in the immediately preceding clause (b) for so long as any Improvement Area #2 Bonds, Improvement Area #3 Bonds or the Bonds remain outstanding.

Pursuant to the Development Agreement, Improvement Area #1 will remain in the extraterritorial jurisdiction of the City and be immune from full purpose annexation until the end of the term of the Development Agreement ((A) related to Improvement Area #1, May 31, 2031, (B) related to Improvement Area #2, Improvement Area #3 and Improvement Area #4, the earlier of (i) the date on which no bonds relating to public improvements in the Development remain outstanding or (ii) upon annexation of all of the property within Improvement Area #1), however, if the owner of a single-family residential Lot within Improvement Area #1 petitions the City for voluntary annexation of that Lot, the City may annex that Lot on the condition that the City contribute the TIRZ No. 1 Annual Credit Amount as set forth in clause (b) in the immediately preceding paragraph. Notwithstanding the prior sentence, the City has annexed, accepted, and will maintain streets constructed within Improvement Area #1. Upon the satisfaction of the requirements set forth in the immediately preceding paragraph and the City's approval of the ordinances approving the issuance of the 2019 Bonds, the City agreed to annex Improvement Area #2, Improvement Area #3, and Improvement Area #4, which occurred in November of 2019.

The Development may include a maximum of 1,525 single-family homes, of which up to 150 lots in Improvement Area #3 and Improvement Area #4, collectively, and 110 lots in Improvement Area #5 may be Type 1 Lots, and the Developer must dedicate a school site within Improvement Area #5 to Royse City ISD for the construction of a school. Additionally, Improvement Area #5 will be annexed by the City prior to issuing any bonds for the payment of improvements within Improvement Area #5. See "MAP SHOWING CONCEPT PLAN OF THE DEVELOPMENT."

Amenities and Private Improvements

The Original Landowners agreed to construct certain Amenities within the District which are expected to include a variety of parks, trails, an amenity center and open space areas for the single-family residents and others to enjoy. Construction of such amenities began with construction related to Improvement Area #1, including a stocked fishing pond, hiking, and biking trails and open space areas. In August of 2019, the Original Landowners began construction of an amenity center that includes an approximately 4,000 square foot swimming pool and 1,500 square foot clubhouse. There is also an outdoor grill area, playground, dog park, and sports lawn (together with the swimming pool and clubhouse, collectively referred to as the "Amenity Center"). The Amenity Center is located within Improvement Area #1 and Improvement Area #2. The total costs to complete the Amenity Center were approximately \$3,745,095, which the Original Landowners funded without reimbursement by the City.

Additionally, the Landowners are required, under the Development Regulations set forth in the Development Agreement, to construct at least eight of the following 13 amenities (each an "Additional Amenity") within Improvement Area #3, Improvement Area #4 and Improvement Area #5: (i) a swimming pool; (ii) an aquatic play feature; (iii) a playground (2-5 years); (iv) a playground (5-12 years); (v) a sport court; (vi) a disc golf course; (vii) a

bocce ball court; (viii) outdoor workout equipment; (ix) a covered meeting area; (x) a hike and bike trail (minimum 5,500 linear foot in length and 8 feet in width (any hike and bike trail in excess of the initial 5,500 linear feet may be 6 feet in width)); (xi) a pocket park (with seating); (xii) a corn hole tournament area professionally designed and approved by the City; or (xiii) creative play equipment.

The Landowners constructed a sports court, ball field, hike and bike trail, as well as a pocket park with playground, covered meeting area, grills and corn hole tournament area in Improvement Area #3 at a cost of approximately \$1,000,000. A pocket park with playground and a pocket park with covered meeting area are expected to be constructed within Improvement Area #4 and remaining amenities are expected to be constructed within Improvement Area #5. The costs of the amenities within Improvement Area #4 and Improvement Area #5 are expected to be approximately \$1,000,000.

Additionally, the Original Landowners have constructed or will construct certain private improvements, including landscaping, miscellaneous items, and related franchise utility services, to serve the entire District (collectively, the “Private Improvements”) at an approximate cost of \$5,449,624 without reimbursement by the City. The Amenities, Additional Amenities, if any, and the Private Improvements have been or will be dedicated to and accepted by the HOA. The HOA will provide for the ongoing operation, maintenance and repair of the Amenities, Additional Amenities, if any, and Private Improvements through the administration of a maintenance and operation fee and/or a property owner’s association fee to be paid by each lot owner within the District.

Zoning/Permitting

The development of property within the District is governed by the Concept Plans and Development Regulations, the City Subdivision Regulations, the City Building Codes, the City Sign Regulations, and the City’s Impact Fee Regulations, solely as set forth in the Development Agreement.

Education

The Development is served by the Royse City ISD. Royse City ISD encompasses 74.48 square miles and claims a tri-county boundary: Rockwall, Collin, and Hunt Counties. Royse City ISD operates one early childhood learning center, six elementary schools, two middle schools and one high school. Currently, Anita Scott Elementary School, which is approximately 2.7 miles from the District, Harry H. Herndon Intermediate, which is 5 miles from the District (serving Improvement Areas #1, #2 and #3), Bobby Summers Middle School, which is approximately 6.8 miles from the District, Ouida Baley Middle School (zoned to serve Improvement Area #4), which is approximately 4.5 miles from the District, and Royse City High School, which is approximately 5.7 miles from the District, serve the District. Royse City ISD is constructing an elementary school within Improvement Area #5 that is scheduled to be open in August 2024.

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

Environmental

Site Evaluation. A Phase One Environmental Site Assessment (a “Phase One ESA”) of the assemblage was completed on February 28, 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. According to the website for the Texas Parks & Wildlife, the whooping crane is an endangered species in Rockwall County. The Developer is not aware of any endangered species located on District property.

Utilities

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

Additional Utilities. The Developer anticipates additional utilities to be provided by: (1) Telecom – Sudden Link; (2) Electric – Farmers Electric Cooperative; and (3) Natural Gas – Atmos.

THE DEVELOPER

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

General

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

Description of the Developer

The Landowners are controlled by entities affiliated with Phillip Huffines and Don Huffines (the "Huffines") and were created by the Huffines for the purpose of managing and ultimately conveying property in the District to third parties, as described under the caption "THE DEVELOPMENT."

Development and management tasks of the property owned by the Landowners are carried out through employees of Huffines Management Partners, L.P., a Texas limited partnership, which is part of a group of entities doing business under the name "Huffines Communities." Huffines Communities is also controlled by the Huffines. Huffines Communities was founded in 1985 and has owned, or has developed or entitled for development, over 20,000 residential lots. Among its "Signature" communities are the following:

Community	Project Type	Estimated Total Units Upon Full Buildout	Location	Status / Year Completed
Waterview	Master Planned Residential	1,800 single-family	Rowlett, TX	Completed 2006
Providence	Master Planned Residential	2,261 single-family	Providence, TX	Completed 2017
Savannah	Master Planned Residential	2,447 single-family	Savannah, TX	In Progress (approx. 2,443 occupied homes)
Inspiration	Master Planned Residential	2,173 single-family	Wylie, TX	In Progress (approx. 1,585 occupied homes)
Viridian	Master Planned Mixed Use	3,854 units of single-family, townhomes, and multifamily units with commercial, hotel and industrial development	Arlington, TX	Sold by Developer in 2015
Hebron 121 Station	Transit Oriented Design	1,728 multi-family	Lewisville, TX	Sold by Developer in 2021
Harmony	Urban Design	644 multi-family	Rowlett, TX	Sold by Developer in 2021

Huffines Communities has significant experience as the developer of master planned communities located within special districts in the State similar to the District. Entities affiliated with Huffines Communities have made advances to such districts to finance the construction of public improvements and to pay for district operating needs, creating an obligation on the part of the districts to reimburse the developer for those advances through future bond issuances. According to the Developer, Huffines Communities has made a strategic decision to work with each of those districts to establish and maintain a level and competitive combined district tax rate. Huffines Communities' more significant district experience includes the following:

- Providence Village Water Control and Improvement District of Denton County (formerly Denton County Fresh Water Supply District No. 9);
- Collin County Water Control and Improvement District No. 3;
- Denton County Fresh Water Supply District No. 10;
- Viridian Municipal Management District (Sold property 2015);
- Verandah Municipal Utility District of Hunt County (formerly Verandah Fresh Water Supply District of Hunt County) (Sold property 2005);
- Solterra Public Improvement District; and
- The Lakes Fresh Water Supply District of Denton County.

These districts have issued over \$300,000,000 in tax exempt road and utility bonds during Huffines Communities' involvement with them. In addition, the combined tax rate for all of these districts never increased during Huffines Communities involvement due, in part, to advances for operating costs made by the Huffines Communities affiliated entities.

The Landowners are a nominally capitalized limited partnership and limited liability companies, the primary asset of which is unsold property within the District. The Developer will have no source of funds with which to pay Assessments or taxes levied by the City or any other taxing entity other than funds resulting from the sale of property within the District or funds advanced to the Developer by an affiliated party. The Developer's ability to make full and timely payments of Assessments or taxes will directly affect the City's ability to meet its obligation to make payments on the Bonds.

Executive Biographies

Phillip Huffines, Co-Chief Executive, graduated summa cum laude from the University of Texas at Austin in 1981 with a BBA in Petroleum Land Management. He soon entered real estate where he and his brother, Don Huffines, began investing in large land tracts and brokering and developing shopping centers and residential properties in the Dallas/Fort Worth area forming Huffines Communities in 1985. In the 1990's they started focusing on master planned communities and began the first of their "Signature" communities.

Don Huffines, Co-Chief Executive, graduated from the University of Texas at Austin in 1981 with a BBA in Finance. In 1982 he started his career with the largest commercial brokerage company in Texas, Henry S. Miller Company. Don gained valuable experience in office leasing, retail development and income property sales. In 1984 he was the 4th top producer of over 130 commercial brokers and was promoted to Vice President. In 1985, along with his brother Phillip, he formed Huffines Communities with the company's primary focus being land investing and development.

Sue Blankenship, Senior Vice President, shares responsibility for business planning, project strategy and management, and organizational development of the company. She has over 30 years of experience in the real estate industry, including tenure as the Director of Land Development for a homebuilder in Dallas developing over 3,500 single-family lots and entitling/acquiring additional lots in over 50 metroplex communities. She graduated from Northern Arizona University with a Bachelor of Science degree in Civil Engineering and is a registered Professional Engineer in Texas and California.

Jeff Winker, Chief Financial Officer, is responsible for reporting, process implementation, internal controls, and general oversight of all the financial and accounting operations of Huffines Communities. During his 30-year

career in real estate investment, development and management, Jeff has served as CRO for CentreFirst Management Company, Carbon Development and Henry S. Miller Interests, Inc. Jeff graduated from Texas Tech University with a BBA in Accounting.

Barry Jameson, Special Districts Manager, is responsible for managing Huffines Communities' involvement with special districts in which Huffines developments are located. He has served in that role since 2004. Before that, he worked in public accounting with Ernst & Young and financial reporting with Crow Family Holdings. Barry graduated in 1986 from the University of North Texas with a Master of Science in Accounting.

History and Financing of the District

Acquisition of Land Within the District. Parker Creek LP purchased the land comprising property in the District on February 13, 2003 at a price of \$2,202,455.50. All loans associated with Parker Creek LP's purchase of land within the District have matured and were paid in accordance with their terms.

The Parker Creek Municipal Utility District. The Parker Creek Municipal Utility District (the "MUD") was created and organized under an Order of the Texas Commission on Environmental Quality, dated June 28, 2004, as a municipal utility district under the terms and provisions of Article XVI, Section 59, Texas Constitution. Parker Creek LP and the MUD entered into a reimbursement agreement providing for reimbursement to Parker Creek LP for the construction of certain facilities within the MUD (the "MUD Agreement"). The District was formed to provide an alternate mechanism to finance the improvements that Parker Creek LP originally expected to construct under the MUD Agreement. Parker Creek LP did not construct any facilities within the MUD pursuant to the MUD Agreement, no reimbursement was made to Parker Creek LP under the MUD Agreement, and no bonds were issued by the MUD.

On November 8, 2017, the board of directors of the MUD approved a resolution dissolving the MUD. On November 14, 2017, the City Council authorized the Mayor to execute all documents related to the MUD dissolution and formally acknowledged the dissolution of the MUD.

Development Loan for Improvement Area #1. In order to finance the development of the land within Improvement Area #1, Parker Creek LP obtained a loan in the amount of \$10,125,000 from Trez Capital (2015) Corporation pursuant to a Promissory Note dated March 31, 2017, which was secured by, among other things, a lien on all of the real property within the District and improvements thereon owned by the Developer (the "Development Loan"). The Developer paid off the Development Loan on November 8, 2018.

Acquisition and Development Loans for Improvement Area #2. Waterscape LLC purchased the land comprising Improvement Area #2 and a portion of Improvement Area #3 of the District from Parker Creek LP on November 30, 2018, at a price of \$8,775,000. In order to finance the purchase of the property, Waterscape LLC obtained a loan in the amount of \$7,020,000 from Parker Creek LP pursuant to a promissory note dated November 1, 2018 (the "IA #2 Acquisition Loan"). The IA #2 Acquisition Loan has been paid off.

In order to finance the development of the land within Improvement Area #2, Waterscape LLC obtained a loan in the amount of \$15,556,846 from First United Bank and Trust Company ("First United") pursuant to a Promissory Note dated January 22, 2019 (the "IA #2 Development Loan"). The IA #2 Development Loan has been paid off.

Acquisition and Development Loans for Improvement Area #3 and Improvement Area #4. The Developer purchased the land comprising a portion of Improvement Area #3 and all of Improvement Area #4 of the District from Parker Creek LP at a price of \$10,155,000. In order to finance a portion of the purchase of the property, the Developer obtained a loan in the amount of \$8,124,000 from Parker Creek LP pursuant to a promissory note dated April 6, 2021 (the "IA #3/4 Acquisition Loan"), which is secured by a pledge from the Members of the Developer of 100% of their respective membership interests in the Developer pursuant to Memberships Interests Pledge and Security Agreements executed by each such Member. The IA #3/4 Acquisition Loan is payable in four equal annual installments of \$2,031,000, with the first due April 6, 2022, which installments may be reduced by the proceeds of any sale of the property within Improvement Area #3 and Improvement Area #4, less any amounts owed to any lender holding a lien on such property. The Developer did not make the payment due April 6, 2022; however, in 2023 there were principal and interest payments totaling \$4,380,000 made on the IA #3/4 Acquisition Loan. The IA #3/4 Acquisition Loan bears

interest at a rate of 6% and has a maturity date of April 6, 2026. As of February 29, 2024, the IA #3/4 Acquisition Loan has an outstanding balance of \$4,627,933.

In order to finance the development of the land within Improvement Area #3, the Developer obtained a loan in the amount of \$11,000,000 from Parker Creek LP pursuant to a promissory note dated April 6, 2021 (the “IA #3 Development Loan”), which was secured by, among other things, a lien on all of the real property within Improvement Area #3 and improvements thereon owned by the Developer. Parker Creek LP assigned the IA #3 Development Loan to First United and, pursuant to an amended and restated promissory note, the principal balance of the IA #3 Development Loan was restated as \$10,252,000. The IA #3 Development Loan has been paid off.

In order to finance the development of the land within Improvement Area #4, the Developer obtained a loan in the amount of \$6,000,000 from Parker Creek LP pursuant to a promissory note dated September 14, 2023 (the “IA #4 Development Loan”), which is secured by, among other things, a lien on all of the real property within Improvement Area #4 and improvements thereon owned by the Developer. Parker Creek LP assigned the IA #4 Development Loan to First United and, pursuant to an amended and restated promissory note and development loan agreement, the principal balance of the IA #3 Development Loan was restated as \$4,600,000. The IA #4 Development Loan bears interest at a rate of the less of (i) the maximum lawful rate or (ii) Prime Rate plus 1.0%, and has a maturity date of November 7, 2026. Until the loan is paid in full, 95% of lot sales within Improvement Area #4 are paid in reduction of the outstanding principal balance and 100% of all reimbursements paid to the Developer relating to Improvement Area #4 under the PID Reimbursement Agreement are paid in reduction of the outstanding principal balance. The IA #4 Development Loan is additionally secured by a completion guaranty and a limited personal guarantee from Phillip and Don Huffines, an assignment of contracts and sale proceeds from land, an assignment of development plans and engineer contracts, an assignment of the construction contracts, and a collateral assignment of the PID Reimbursement Agreement. As of February 29, 2024, the IA #4 Development Loan has an outstanding balance of \$1,389,114.

The PID Act provides that the Assessment Lien is a first and prior lien against the assessed property within Improvement Area #4 of the District and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the Bonds, First United has agreed to consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the IA #4 Development Loan to the assessment liens on property within Improvement Area #4 securing payment of the Assessments. As a result, the lien on the property within Improvement Area #4 securing the Assessments will have priority over the lien on the property within Improvement Area #4 securing the Improvement Area #4 Development Loan.

THE PID ADMINISTRATOR

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

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

The PID Administrator’s duties will include:

- Preparation of the annual update to the Amended and Restated 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 OF PROPERTY WITHIN IMPROVEMENT AREA #4

The Appraisal

General. Integra Realty Resources – Dallas (the “Appraiser”) prepared an appraisal report for the City and the Underwriter dated as of February 7, 2024, based upon a physical inspection of Improvement Area #4 conducted on February 1, 2024 (the “Appraisal”). The Appraisal was prepared at the request of the City and the Underwriter. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX G and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions, and qualifications, which are set forth therein. See “APPENDIX G — Appraisal of Improvement Area #4.”

Value Estimates. The Appraiser estimated the prospective market value at completion of the fee simple interest in the tracts of land comprising Improvement Area #4 under certain hypothetical conditions. The Appraisal does not reflect the value of Improvement Area #4 as if sold to a single purchaser in a single transaction. The hypothetical conditions include the assumption that all of the Improvement Area #4 Improvements and the Major Improvements necessary to serve the lots within Improvement Area #4 have been completed in accordance with plans and specifications as of May 31, 2024. See “THE IMPROVEMENT AREA #4 AUTHORIZED IMPROVEMENTS” and “THE DEVELOPMENT — Development Plan.” The Appraisal does not reflect the as-is condition of Improvement Area #4. See “APPENDIX G — Appraisal of Improvement Area #4.”

The prospective market value for the Assessed Property within Improvement Area #4 using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal as of May 31, 2024, is \$10,620,000. None of the City, the Developer nor the Underwriter makes any representation as to the accuracy, completeness, assumptions, or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions.

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

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

The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District.

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

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

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

BONDHOLDERS' RISKS

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

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #4 to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #4, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the property within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such property.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District, including Improvement Area #4, should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the Assessed Property, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #4. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

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

Deemed Representations and Acknowledgment by Purchasers

Each purchaser of Bonds (each a "Purchaser") will be deemed to have acknowledged and represented to the City the matters set forth under the heading "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" which include, among others, a representation and acknowledgment that the purchase of the Bonds involves investment risks,

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

Infectious Disease Outbreak

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

Assessment Limitations

Annual Installments of Assessments are billed to property owners of Assessed Property within Improvement Area #4. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as set forth under “ASSESSMENT PROCEDURES” herein. Additionally, Annual Installments established by the Amended and Restated Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year, interest and the Annual Collection Costs for such year. See “ASSESSMENT PROCEDURES” herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in Improvement Area #4, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy of Property Owner” herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #4, any Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

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

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. **However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance**

(“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. It is unclear under State law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights had been claimed. Furthermore, the Developer owns 100% of the land within Improvement Area #4 and is not eligible to claim homestead rights. Consequently, there are and can be no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Lien may be foreclosed upon by the City.

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

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE ASSESSED PROPERTY, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #4 OF THE DISTRICT.

PACE Lien Priority

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

Recent Changes in State Law Regarding Public Improvement Districts

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract of purchase and sale. If the Developer or homebuilders within Improvement Area #4 do not provide the required notice and prospective purchasers of property within Improvement Area #4 terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney’s fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney’s fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property should be paid. On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the Developer or homebuilders within Improvement Area #4 do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be

provided to homebuyers are attached as Appendix A-8 and A-9 to the Amended and Restated Service and Assessment Plan. See “Appendix C — Form of Amended and Restated Service and Assessment Plan.”

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 88th Legislative Session of the State (the “88th Regular Session”) concluded on May 29, 2023. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor’s direction, each lasting no more than 30 days, and for which the Governor sets the agenda. Upon conclusion of the 88th Regular Session, the Governor has called four special sessions all of which have ended without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

General Risks of Real Estate Investment and Development

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

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

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

The Development cannot be completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of each

phase of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer, the Improvement Area #4 Homebuilders and any subsequent owners to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within Improvement Area #4 in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Risks Related to the Current Residential Real Estate Market

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable-rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot, and home sales within Improvement Area #4. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Recent Increase in Costs of Building Materials

As a result of the Pandemic, and low supply and high demand, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. If the costs of the remaining Improvement Area #4 Improvements are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Improvement Area #4 Improvements or pay the Assessments when due. Additionally, if the costs of material continue to increase, it may affect the ability of the Improvement Area #4 Homebuilders to construct within Improvement Area #4. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District. See “THE DEVELOPER — History and Financing of the District.”

Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developer, the City, the City’s Financial Advisor, or the Underwriter can give any assurance that the building programs which are planned throughout the District will ever commence or be completed in accordance with the Developer’s expectations. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

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Competitive projects in the area include:⁽¹⁾

<u>Project Name</u>	<u># of Units</u>	<u>Proximity to Development</u>	<u>Developer</u>	<u>Date Started</u>	<u>Expected Date of Completion</u>	<u>Prices</u>	<u># of Units Remaining</u>
Creekshaw	755	4 miles	Wynne / Jackson Hines	21-Jan	Jun-27	\$320-497K	499
Creekside	1,089	6 miles	Development Company	21-Apr	Jan-28	\$290-445K	799
Parkside Village	414	2 miles	Marlin Atlantis / Green Brick Partners	20-Apr	Jan-24	\$359-486K	0
Woodcreek	4,194	7 miles	Southstar Development Partners	4-Apr	Apr-25	\$322-661K	345

⁽¹⁾ Information provided by Developer based on data obtained from third-party market research company.

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.

Lien Foreclosure and Bankruptcy

The payment of Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Improvement Area #4 to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of Improvement Area #4 currently impose ad valorem taxes on the property within Improvement Area #4 and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #4. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Assessments. See "OVERLAPPING TAXES AND DEBT."

TIRZ No. 1 Annual Credit Amount and Marketing of the Development

The TIRZ No. 1 Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraisal value in TIRZ No. 1 in any year. Any delay or failure by the Developer to develop Improvement Area #4 may result in a reduced amount of the TIRZ No. 1 Revenue being available to credit the Assessments. TIRZ No. 1 Revenues generated from the captured appraised value for each Parcel in Improvement Area #4 during the development of such Parcel will not result in a TIRZ No. 1 Annual Credit Amount which is sufficient to achieve the TIRZ No. 1 Maximum Annual Credit Amount. The TIRZ No. 1 Annual Credit Amount may not provide for the TIRZ No. 1 Maximum Annual Credit Amount until the second year that a home on such Parcel is assessed. The ability of the TIRZ No. 1 Annual Credit Amount to provide for the TIRZ No. 1 Maximum Annual Credit Amount for Parcels within Improvement Area #4 is dependent on the actual home prices in Improvement Area #4 meeting the projections for the home prices described in the Amended and Restated Service and Assessment Plan. If the home prices in Improvement Area #4 do not reach the expected values, the TIRZ No. 1 Revenue will not be sufficient to produce the TIRZ No. 1 Maximum Annual Credit Amount. See "OVERLAPPING TAXES AND DEBT" and "APPENDIX C — Amended and Restated Service and Assessment Plan."

If the City contributes the TIRZ No. 1 Revenues to the payment of the Authorized Improvements, the City will deposit less tax revenue into its general fund for use on public services, such as police and fire protection. Application of the TIRZ No. 1 Annual Credit Amount may affect the City's ability to provide for such basic services.

It is uncertain what impact, if any, the TIRZ No. 1 Annual Credit Amount application to the Annual Installments will have on the underwriting of residential mortgages. If the underwriter of residential mortgages does not recognize the TIRZ No. 1 Annual Credit Amount it may make it more difficult for a borrower to qualify for a home mortgage which could have a negative impact on home sales and projected absorption.

Depletion of Reserve Account

Failure of the owners of property within Improvement Area #4 to pay the Assessments when due could result in the rapid, total depletion of the Reserve Account prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account. The Indenture provides that if, after a withdrawal from the Reserve Account, the amount in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account sufficient to cure such deficiency, as described under “SECURITY FOR THE BONDS — Reserve Fund – Reserve Account Provisions” herein.

Hazardous Substances

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

The value of the land within the District does not consider the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The City 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 City is not aware of them.

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

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

Regulation

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

100-Year Flood Plain

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), Rockwall County, Texas and Incorporated Areas, Community Panel Numbers 48397C0065L, dated September 26, 2008, the District is located in Zone X (not shaded). Zone X not shaded corresponds to areas determined to be outside

the 0.2 percent annual chance of flood. Along the western boundary of the subject property, a small portion is located in Zone X (shaded) and Zone AE. Zone X shaded corresponds to areas of 0.2 percent annual chance of flood. Zone AE corresponds to areas with a base flood elevation determined of a one percent annual chance of flood. The portion of the District in the 100-year flood plain will be part of the drainage and detention pond systems within the District.

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

Risk from Weather Events

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

Bondholders' Remedies and Bankruptcy of Property Owners

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within Improvement Area #4 of the District or sell property within Improvement Area #4 of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Chapter 9 Bankruptcy Limitation to Bondholders' Rights" herein.

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

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

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

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

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Area #4 available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See “OVERLAPPING TAXES AND DEBT.” Collection of delinquent taxes, assessments and Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers’ right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

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

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of Improvement Area #4 subject to the Assessments, existing real estate and financial market conditions and other factors.

No Credit Rating

The City has not applied for or received a rating on the Bonds. Even if a credit rating had been sought for the Bonds, it is not anticipated that such a rating would have been investment grade. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Chapter 9 Bankruptcy Limitation to Bondholders' Rights

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

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under State law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt. The City cannot predict a Bankruptcy Court's treatment of the Bond holders' creditor claim and whether a Bond holder would be repaid in full.

Tax-Exempt Status of the Bonds

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

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or State level, may adversely affect the tax-exempt status of interest on the Bonds under federal or State law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted

cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

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

Management and Ownership

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

Availability of Utilities

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

Dependence Upon Landowners

As of February 29, 2024, the Developer owned all of the lots within Improvement Area #4; however, the Developer expects that the Improvement Area #4 Homebuilders will take down all 128 of their lots under contract within Improvement Area #4 in or around May 2024, pursuant to the Improvement Area #4 Lot Purchase Agreements. Upon such takedowns, the Developer and the Improvement Area #4 Homebuilders will have the obligation for payment of 100% of the total Assessments. The ability of the Developer and the Improvement Area #4 Homebuilders to make full and timely payment of their respective Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The sole assets of the Developer are land within the District, related permits and development rights, and minor operating accounts. The source of funding for future land development activities and infrastructure construction to develop the remaining lots proposed for the District also consists of proceeds from the Major Improvement Area Bonds, the Improvement Area #1 Bonds, Improvement Area #2 Bonds, and the Improvement Area #3 Bonds and proceeds of lot sales, as well as possible bank financing and equity contributions by the Developer. There can be no assurances given as to the financial ability of the Developer to advance

any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay to the Developer, or the Developer's designee, from proceeds of the Bonds for a portion of the project costs actually incurred in developing and constructing the Improvement Area #4 Improvements. See "THE IMPROVEMENT AREA #4 AUTHORIZED IMPROVEMENTS."

While the Developer has not been delinquent or in default of any loans, lines of credit or other obligations related to the Development or other development projects, affiliates of Huffines have executed three separate deeds in lieu of foreclosure to convey property to the respective lenders in connection with development ventures.

Hunt County Projects: In 2006 and 2007, affiliates of Huffines acquired 286.6 acres (the "Comanche Ridge Property") and approximately 80.8 acres (the "Benbrook Property") in Hunt County near Quinlan, Texas. Due to the market conditions in beginning in 2008, the Huffines affiliates for both properties executed a deed in lieu of foreclosure in favor of the respective lenders.

Waterford on Lake Travis: In 2013, a Huffines affiliate, HC Waterford Property, LLC acquired certain property in Travis County secured by a promissory note in the amount of \$11,049,390 from HC Waterford Property, LLC to American Bank of Texas with the intent to develop the property for residential use. Due in large part to the drought in Central Texas and low water levels that Lake Travis sustained for much of the ownership period, the Huffines affiliate was unable to attract builders for the project and ultimately deeded the property back to the American Bank of Texas.

TAX MATTERS

Opinion

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

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

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

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

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

Federal Income Tax Accounting Treatment of Original Issue Discount

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

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

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

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

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

Collateral Federal Income Tax Consequences

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

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax,

taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

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

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

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

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

State, Local and Foreign Taxes

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

Information Reporting and Backup Withholding

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

Future and Proposed Legislation

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

LEGAL MATTERS

Legal Proceedings

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

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

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special, limited obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special, limited obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal thereof and interest thereon, are payable from and secured by a pledge of and lien on the Trust Estate. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS," including the alternative minimum tax on certain corporations. A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D — Form of Opinion of Bond Counsel."

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

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

Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to its knowledge, overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action

of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its general partner or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Amended and Restated Service and Assessment Plan, the PID Reimbursement Agreement, the Development Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”).

Additionally, affiliated entities of the Developer have been and are parties to pending and threatened litigation related to their commercial and real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service.

No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

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

NO RATING

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

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”), the City, the PID Administrator and UMB Bank, N.A. (in such capacity, the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Issuer”) for the benefit of the Owners of the Bonds

(including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Issuer, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E — Form of Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The City’s Compliance with Prior Undertakings

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

The Developer

The Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Developer”), for the benefit of the owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Developer, certain information regarding the Development and the Improvement Area #4 Improvements (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX E-2 — Form of Disclosure Agreement of Developer.” Under certain circumstances, the failure of the Developer or the PID Administrator to comply with its obligations under the Disclosure Agreement of Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The Landowners’ Compliance with Prior Undertakings

During the last five years, the Landowners have complied in all material respects with the continuing disclosure agreements made by them in accordance with the Rule, except as follows. Parker Creek LP entered into a continuing disclosure agreement in connection with the Major Improvement Area Bonds (the “MIA CDA”). The Developer and Waterscape LLC entered into a continuing disclosure agreement in connection with the Improvement Area #3 Bonds (the “IA #3 CDA” and, together with the MIA CDA, the “Prior CDAs”). Pursuant to the Prior CDAs, the respective Landowners are required to provide the PID Administrator certain quarterly information no later than ten business days prior to the applicable quarterly filing date and the quarterly reports are required to be filed with the

Municipal Securities Rulemaking Board no later than such quarterly filing date. For the quarter ending December 30, 2022, the Landowners provided the PID Administrator with the quarterly information one business day late; however, due to an administrative oversight the PID Administrator did not provide the quarterly reports to the Dissemination Agent until March 31, 2023, and the reports were filed by the Dissemination Agent on April 3, 2023.

UNDERWRITING

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the Bonds from the City at a purchase price of \$3,159,312.12 (the par amount of the Bonds, less an original issue discount of \$12,587.88 and less an Underwriter’s discount of \$98,100.00). The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least “A” or its equivalent as to investment quality by a national rating agency. See “NO RATING” above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits 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 City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

INVESTMENTS

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

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the

United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City’s account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City’s custodian of the banking deposits issued for the City’s account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above or clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City’s name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers’ acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least “A-1” or “P-1” or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least “A-1” or “P-1” or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than “AAA” or “AAAm” or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to

provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than ten years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

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

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment

authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 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 City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

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

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

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

SOURCES OF INFORMATION

General

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

Developer

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Area #4 Improvements, the Development and the Developer generally and, in particular, the information included in all of the maps herein and in the sections captioned "PLAN OF FINANCE — Development Plan," "— Status of Construction of Authorized Improvements," "— Homebuilders and Status of Home Construction" and "—

Financing Plan,” “OVERLAPPING TAXES AND DEBT — Homeowners’ Association,” “THE IMPROVEMENT AREA #4 AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #4 Authorized Improvements and the Development), “LEGAL MATTERS — Litigation — The Developer,” “CONTINUING DISCLOSURE — The Developer” and “— The Landowners’ Compliance with Prior Undertakings,” “APPENDIX E-2” and “APPENDIX F” has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

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

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

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “anticipate,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

AUTHORIZATION AND APPROVAL

The City Council has authorized the use of this Limited Offering Memorandum by the Underwriter in connection with the marketing and sale of the Bonds.

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

The following information has been provided for informational purposes only.

General Information

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

Historical Employment in Rockwall County

	Average Annual				
	2024 ⁽¹⁾	2023	2022	2021 ⁽²⁾	2020 ⁽²⁾
Civilian Labor Force	61,224	61,012	59,522	56,678	54,262
Total Employed	58,904	58,820	57,509	54,240	51,050
Total Unemployed	2,320	2,192	2,013	2,438	3,212
Unemployment Rate	3.8%	3.6%	3.4%	4.3%	5.9%

⁽¹⁾ Data through January of 2024.

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

Source: Texas Labor Market Information.

Major Employers in the City

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

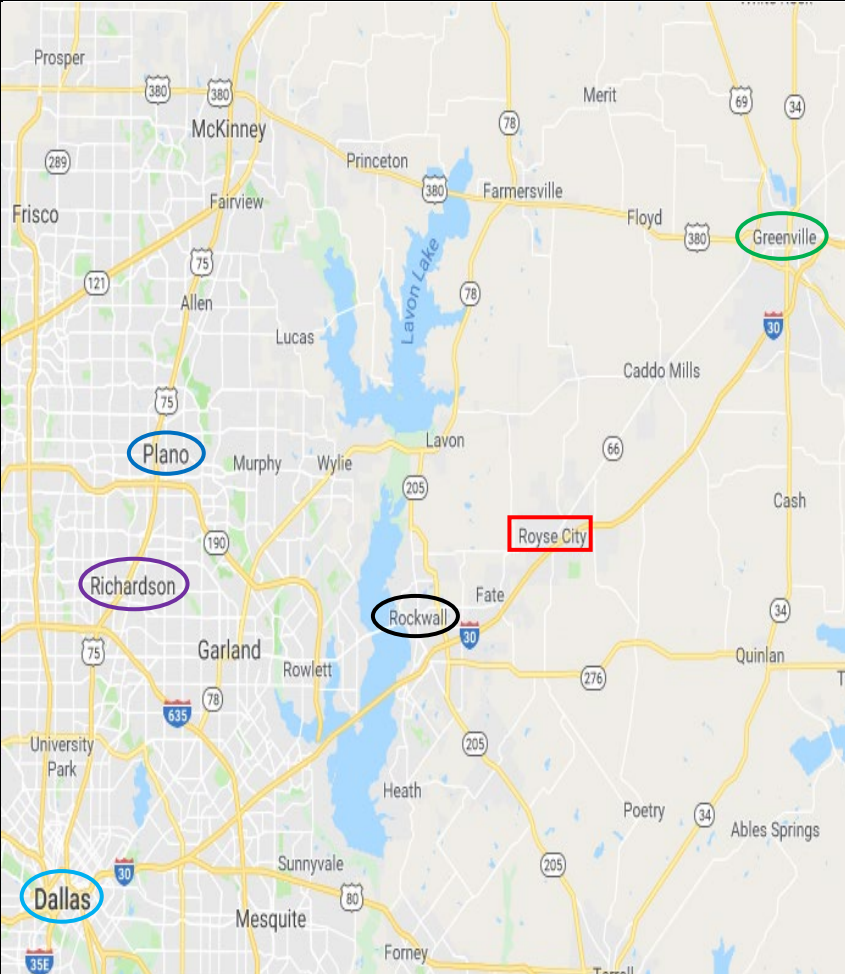
<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Royse City ISD	Education	1,205
Wal-mart	Retail	260
Buc-ee's	Retail/Fuel	230
Dust Free	Industrial Air Purification	125
City of Royse City	Municipal Government	118
Artisan/AA Granite	Industrial/Retail	100
OMI Crane	Crane Manufacturer	80
Whataburger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

Source: Royse City Economic Development Corporation

Surrounding Economic Activity

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

City of Rockwall		City of Greenville		City of Dallas	
Approximately 9 miles from the City		Approximately 18 miles from the City		Approximately 29 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
Rockwall ISD	1,985	L-3 Communications	6,500	Dallas ISD	23,271
L-3 Harris Technologies	700	Hunt Regional Medical Center	1,100	City of Dallas	13,000
Texas Health Presbyterian Hospital	611	Greenville ISD	800	AT&T Inc.	12,600
Pegasus Food	480	McKesson	500	Medical City Dallas	10,864
Channell Commercial	460	Solvay	350	Parkland Health & Hop System	10,406
Rockwall County	358	Hunt County	350	Texas Instruments Inc.	9,800
City of Rockwall	353	City of Greenville	301	Dallas County Community College	8,230
Wal-Mart Superstore	350	Masonite Corp.	250	Methodist Dallas Medical Center	6,887
Texas Star Express	275	Wal-Mart Supercenter	250	Dallas County	6,500
Karat by Lollicup USA	260	Weatherford International	225	Children's Health	6,276



City of Plano	
Approximately 33 miles from the City	
Employer	Employees
JP Morgan Chase	8,108
Capital One Finance	7,273
Bank of America	4,500
Toyota Motor North America, Inc.	4,018
Liberty Mutual Insurance Company	2,519
AT&T Foundry	2,500
Ericsson	2,457
Medical City Plano	2,332
USAA	2,092
Samsung Electronics America, Inc.	2,081

City of Richardson	
Approximately 37 miles from the City	
Employer	Employees
State Farm Insurance	9,000
Richardson ISD	5,961
University of Texas at Dallas	3,911
Blue Cross Blue Shield of Texas	3,100
Genpact	2,500
GEICO	2,400
Raytheon	2,200
Realpage	2,100
Cisco Systems	2,000
Texas Instruments	1,800

Source: Municipal Advisory Council of Texas

APPENDIX B
FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF ROYSE CITY, TEXAS

and

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

DATED AS OF MAY 1, 2024

SECURING

\$3,270,000

**CITY OF ROYSE CITY, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WATERSCAPE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #4 PROJECT)**

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INDENTURE OF TRUST

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

WHEREAS, on August 4, 2016, a petition (the "Petition") was submitted and filed with the City Secretary of the City (the "City Secretary") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act"), requesting the creation of a public improvement district located within the extraterritorial jurisdiction of the City to be known as "Waterscape Public Improvement District" (the "District"); and

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

WHEREAS, after due notice, on October 11, 2016, the City Council of the City (the "City Council") (i) opened, held and closed the public hearing on the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the PID Act, (ii) made the findings required by Section 372.009(b) of the PID Act and (iii) adopted Resolution No. 16-10-1170R (the "Creation Resolution") authorizing the creation of the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of the Creation Resolution, the City published notice of its authorization of the District in a newspaper of general circulation in the City and in the extraterritorial jurisdiction of the City where the District is located; and

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

WHEREAS, pursuant to Section 372.016(b) of the PID Act, the City Secretary published notice of a public hearing (the "Assessment Hearing") in a newspaper of general circulation in the City and in the extraterritorial jurisdiction of the City where the proposed improvements are to be undertaken to consider the proposed "Assessment Roll" and the "Service and Assessment Plan" and the levy of the "Assessments" on property in Improvement Area #4 and, pursuant to Section 372.016(c) of the PID Act, the City Secretary mailed notice of the Assessment Hearing to consider the proposed Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in Improvement Area #4 to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the Assessment Hearing on April 23, 2024, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Improvement Area #4 Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, at the Assessment Hearing, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the Improvement Area #4 Costs, the Assessment Roll, or the levy of the Assessments; and

WHEREAS, the City Council closed the Assessment Hearing and, after considering all written and documentary evidence presented at the Assessment Hearing, including all written comments and statements filed with the City, at the meeting held on April 23, 2024, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Assessment Roll and levied the Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Improvement Area #4 Costs, (ii) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (iii) paying Bond Issuance Costs; and

WHEREAS, the City has previously issued its \$5,150,000 City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2017 (Waterscape Public Improvement District Major Improvement Area Project), dated as of December 1, 2017 (the "Major Improvement Bonds") pursuant to that certain Indenture of Trust, dated as of December 1, 2017, between the City and the Trustee (the "Major Improvement Indenture"); and

WHEREAS, Section 13.2(e) of the Major Improvement Indenture authorizes the City to issue Additional Obligations (as defined in the Major Improvement Indenture), including Future Improvement Area Bonds (as defined in the Major Improvement Indenture), to finance the cost of future local improvements within each Future Improvement Area (as defined in the Major Improvement Indenture) as the development proceeds, so long as either (1) the conditions set forth in paragraphs (i) through (iv) of such section are met or (2) the City obtains from the holders of all of the Outstanding Major Improvement Bonds a waiver of any unmet conditions and consent to the issuance of the then-proposed Future Improvement Area Bonds; and

WHEREAS, the conditions set forth in paragraphs (i) through (iv) of Section 13.2(e) of the Major Improvement Indenture have been met; and

WHEREAS, the City now desires to issue revenue bonds in accordance with this Indenture and the PID Act, with such bonds to be entitled "City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2024 (Waterscape Public Improvement District Improvement Area #4 Project)" (the "Bonds"), and such Bonds being payable as provided in this Indenture; and

WHEREAS, the Bonds are being issued as Additional Obligations pursuant to Section 13.2(e) of the Major Improvement Indenture and are secured by and payable from a lien on and pledge of the Trust Estate; and

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

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

FIRST GRANTING CLAUSE

The Pledged Revenues, as herein defined, including all moneys and investments held in the Pledged Funds, including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

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

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants and conditions of this Indenture;

PROVIDED, HOWEVER, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on the Bonds at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect; and

IN ADDITION, the Bonds are special, limited obligations of the City payable solely from the Trust Estate, as and to the extent provided in this Indenture. The Bonds do not give rise to a charge against the general credit or taxing powers of the City and are not payable except as provided in this Indenture. Notwithstanding anything to the contrary herein, the Owners of the Bonds shall never have the right to demand payment thereof out of any funds of the City other than the Trust Estate. The City shall have no legal or moral obligation to pay for the Bonds out of any funds of the City other than the Trust Estate.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

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

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

"*Actual Costs*" shall have the meaning given to such term in the Service and Assessment Plan.

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

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

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

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

"*Annual Collection Costs*" means the actual or budgeted costs and expenses related specifically to Improvement Area #4, including costs and expenses related to the creation 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 City; (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) issuing, paying, and redeeming the Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with the Service and Assessment Plan and the PID Act with respect to the issuance and sale of the Bonds, including the City's continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with the Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year (excluding interest paid from funds on deposit in the Capitalized Interest Account), assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

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

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

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

"Assessed Property" means the Parcels located in Improvement Area #4 that benefit from the Improvement Area #4 Improvements, and is defined as the "Improvement Area #4 Assessed Property" in the Service and Assessment Plan.

"Assessment Ordinance" means the ordinance adopted by the City Council on April 23, 2024, as may be amended or supplemented, that levied the Assessments on the Assessed Property.

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

"Assessment Roll" means the "Improvement Area #4 Assessment Roll", as defined in the Service and Assessment Plan, which document is attached to the Service and Assessment Plan as Exhibit H-1, as updated, modified or amended from time to time.

"*Assessments*" means an assessment levied against Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #4 Improvements, and is defined as "Improvement Area #4 Assessment" in the Service and Assessment Plan.

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

"*Authorized Denomination*" means \$25,000 and any integral multiple of \$1,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than \$25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$25,000, and any attempt to accomplish either of the foregoing shall be void and of no effect.

"*Authorized Improvements*" means those improvements authorized by Section 372.003 of the PID Act, including those described in the Service and Assessment Plan.

"*Bond*" means any of the Bonds.

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

"*Bond Fund*" means the Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.4 of this Indenture.

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

"*Bond Ordinance*" means the ordinance adopted by the City Council on April 23, 2024, authorizing the issuance of the Bonds pursuant to this Indenture.

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

"*Bond Year*" means the one-year period beginning on September 16 in each year and ending on September 15 in the following year.

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2024 (Waterscape Public Improvement District Improvement Area #4 Project)" and, in the event the City issues Refunding Bonds pursuant to Section 13.2 hereof, the term "Bonds" shall include such Refunding Bonds.

"*Business Day*" means any day other than a Saturday, Sunday or legal holiday in the State observed as such by the City or the Trustee or any national holiday observed by the Trustee.

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

"*Certificate for Payment*" means, with respect to payment or reimbursement of Improvement Area #4 Costs, a certificate substantially in the form of Exhibit A attached to the Reimbursement Agreement and executed by a Person approved by the City Representative that is delivered to the City Representative and the Trustee specifying the amount of work performed and the Improvement Area #4 Costs thereof, and requesting payment for such Improvement Area #4 Costs from money on deposit in the Improvement Area #4 Bond Improvement Account as further described in the Reimbursement Agreement and Section 6.5 of this Indenture.

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

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

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

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

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

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

"*Delinquency and Prepayment Reserve Account*" means the reserve account established by Section 6.1 of this Indenture to be administered by the City and segregated from other funds of the City.

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

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

"*Delivery Date*" means May 15, 2024, which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

"*Designated Payment/Transfer Office*" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office designated by the Paying

Agent/Registrar, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Developer" means HC Royse 548, LLC, a Texas limited liability company.

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

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

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

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

"Improvement Area #4" means that portion of the District generally shown in Exhibit A-5 to the Service and Assessment Plan and as specifically described in Section II. in, and Exhibit O-1 to, the Service and Assessment Plan.

"Improvement Area #4 Bond Improvement Account" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"Improvement Area #4 Costs" means the Actual Costs of the Improvement Area #4 Improvements, as such amounts are set forth in the Service and Assessment Plan.

"Improvement Area #4 Improvements" means the Authorized Improvements which only benefit property located in Improvement Area #4 and are described in Section III.E. in, and Exhibit J-4 to, the Service and Assessment Plan.

"Indenture" means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

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

"Initial Bonds" means the Initial Bond(s) authorized by Section 5.2 of this Indenture.

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 15 and September 15 of each year, commencing September 15, 2024.

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

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

"Other Obligations" means any bonds, temporary notes, time warrants, or an obligation under an installment sale contract or reimbursement agreement secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within Improvement Area #4 in accordance with the PID Act.

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

"Owner" or *"Holders"* means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.11 of this Indenture.

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

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

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

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

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

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

"*Prepayment*" means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

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

"*Project Fund*" means that Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.5 of this Indenture.

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

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

"*Rebate Fund*" means that Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.8 of this Indenture.

"*Record Date*" means the close of business on the last Business Day of the month next preceding an Interest Payment Date.

"*Redemption Fund*" means that Fund established pursuant to Section 6.1 of this Indenture and administered pursuant to Section 6.6 of this Indenture.

"*Redemption Price*", when used with respect to any Bond or portion thereof that has been called for redemption, means the principal amount of such Bond or portion thereof plus accrued and unpaid interest on such Bond to the date fixed for redemption.

"*Refunding Bonds*" means bonds issued to refund all or any portion of any Outstanding Bonds that are payable from and secured by a parity lien on the Trust Estate, and such Refunding Bonds and any Bonds that remain Outstanding following the issuance of such Refunding Bonds shall be equally and ratably secured by a parity lien on the Trust Estate in all respects, all as more specifically described in the indenture authorizing such Refunding Bonds.

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

"*Reimbursement Agreement*" means the Amended and Restated Reimbursement Agreement by and between the City and the Developer, dated as of November 19, 2019, as

amended on July 26, 2022, and as may be further amended and/or supplemented from time to time, which provides, in part, for the construction and maintenance of the Improvement Area #4 Improvements, the issuance of bonds, the payment or reimbursement of costs to the Developer for the costs of Improvement Area #4 Improvements and other matters related thereto.

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

"*Reserve Account Requirement*" means the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of calculation, (ii) 125% of average Annual Debt Service on the Bonds as of the date of calculation, and (iii) 10% of the lesser of the par amount of the Outstanding Bonds or the proceeds of the Bonds; provided, however, that, at the option of the City, such amount may be recalculated on any Interest Payment Date or any date of redemption, and the City shall provide a City Order to the Trustee with the applicable Reserve Account Requirement. As of the Delivery Date, the Reserve Account Requirement is \$287,263.76.

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

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

"*Service and Assessment Plan*" means the Waterscape Public Improvement District 2024 Amended and Restated Service and Assessment Plan, which is attached to the Assessment Ordinance, as may be updated, amended and supplemented from time to time.

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

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

"*State*" means the State of Texas.

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

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

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

"*Trust Estate*" means the Trust Estate described in the granting clauses of this Indenture.

"*Trustee*" means UMB Bank, N.A., Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX of this Indenture, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

"*Value of Investment Securities*" means the lower of the cost of or the market value of Investment Securities.

Section 1.2. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(c) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

(d) This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds.

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

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

Section 2.2. Limited Obligations.

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

Section 2.3. Authorization for Indenture.

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

Section 2.4. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds and to prescribe the rights of the Owners, and the rights and duties of the City and the Trustee.

(b) In consideration of the purchase and acceptance of any or all of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the Owners, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act. The Bonds shall be issued in the aggregate principal amount of \$3,270,000 for the purpose of (i) paying a portion of the Improvement Area #4 Costs, (ii) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (iii) paying Bond Issuance Costs.

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

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

(b) Interest shall accrue and be paid on each Bond from the later of the Delivery Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below, or on a date of earlier redemption, or otherwise provided for. Such interest shall be payable semiannually on March 15 and September 15 of each year, commencing September 15, 2024, computed on the basis of a 360-day year of twelve 30-day months.

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

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2031	\$ 342,000	4.625 %
***	***	***
2054	2,928,000	5.875

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV hereof, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 5.2 hereof.

Section 3.3. Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:

(a) a certified copy of the Assessment Ordinance;

- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Reimbursement Agreement with all executed amendments thereto;
- (d) a copy of this Indenture executed by the Trustee and the City;
- (e) an executed City Order directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee;
- (f) an executed Signature and No-Litigation Certificate;
- (g) an executed opinion of Bond Counsel;
- (h) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate; and
- (i) copies of the continuing disclosure agreements relating to the Bonds entered into with the Developer and the City, respectively.

Section 3.4. Medium, Method and Place of Payment.

- (a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.
- (b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date or Special Record Date, as applicable.
- (c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.
- (d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.
- (e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking

institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any Holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State.

Section 3.5. Execution and Registration of Bonds.

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

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered on the Delivery Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Delivery Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial

Bond and deliver to DTC on behalf of the Purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond is overdue, and none of the City, the Trustee or the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

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

Section 3.7. Registration, Transfer and Exchange.

(a) So long as any Bond remains Outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such transferred Bond is delivered.

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

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond or portion thereof called for redemption where such redemption is scheduled to occur within forty-five (45) calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond called for redemption in part.

Section 3.8. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall dispose of cancelled Bonds in accordance with its record retention policies.

Section 3.9. Temporary Bonds.

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

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

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary

form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. **Replacement Bonds.**

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the City shall issue and the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the City shall issue and the Trustee, pursuant to the applicable laws of the State and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

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

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

(iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and

security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.11. Book-Entry-Only System.

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

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the Owner at the close of business on the Record Date or Special Record Date, as applicable, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the blanket issuer letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article IV.

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds maturing on September 15 in each of the years 2031 and 2054 (collectively, the "Term Bonds"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds maturing September 15, 2031	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, 2025	\$ 43,000
September 15, 2026	45,000
September 15, 2027	47,000
September 15, 2028	49,000

September 15, 2029	51,000
September 15, 2030	53,000
September 15, 2031*	54,000

Term Bonds maturing September 15, 2054

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, 2032	\$ 57,000
September 15, 2033	59,000
September 15, 2034	63,000
September 15, 2035	66,000
September 15, 2036	69,000
September 15, 2037	73,000
September 15, 2038	77,000
September 15, 2039	81,000
September 15, 2040	85,000
September 15, 2041	90,000
September 15, 2042	95,000
September 15, 2043	100,000
September 15, 2044	106,000
September 15, 2045	112,000
September 15, 2046	119,000
September 15, 2047	126,000
September 15, 2048	133,000
September 15, 2049	204,000
September 15, 2050	216,000
September 15, 2051	228,000
September 15, 2052	242,000
September 15, 2053	256,000
September 15, 2054*	271,000

* Stated Maturity.

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

(c) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (45) days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on

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

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 15, 2032, such redemption date or dates to be fixed by the City, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

In the event of a Prepayment, or if any other transfers are made into the Redemption Fund under the terms of this Indenture, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates or optional redemption date specified in Section 4.3 hereof, in whole or in part, on any date, from amounts on deposit in the Redemption Fund, at the Redemption Price.

Section 4.5. Partial Redemption.

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

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

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

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

Section 4.6. Notice of Redemption to Owners.

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

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

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

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. Upon receipt of a City Order of such rescission from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

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

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

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

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General may be typewritten and photocopied or otherwise reproduced.

Section 5.2. Form of the Bonds.

(a) Form of Bond.

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

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$_____

CITY OF ROYSE CITY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WATERSCAPE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #4 PROJECT)

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

The City of Royse City, Texas (the "*City*"), for value received, hereby promises to pay, solely from the Trust Estate, to

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

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Delivery Date, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 15 and September 15 of each year, commencing September 15, 2024.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the "*Designated Payment/Transfer Office*"), of UMB Bank, N.A., as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "*Record Date*," which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the

date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "*Bonds*"), dated as of May 1, 2024, and issued in the aggregate principal amount of \$3,270,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of May 1, 2024 (the "*Indenture*"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the Holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each Holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Improvement Area #4 Costs, (ii) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (iii) paying Bond Issuance Costs.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

In the Indenture, the City has reserved the right to issue Refunding Bonds payable from and secured by a first lien on, security interest in and pledge of the Trust Estate.

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

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

The Bonds maturing on September 15 in each of the years 2031 and 2054 (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption (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 respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds maturing September 15, 2031

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, 2025	\$ 43,000
September 15, 2026	45,000
September 15, 2027	47,000
September 15, 2028	49,000
September 15, 2029	51,000
September 15, 2030	53,000
September 15, 2031*	54,000

Term Bonds maturing September 15, 2054

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, 2032	\$ 57,000
September 15, 2033	59,000
September 15, 2034	63,000
September 15, 2035	66,000
September 15, 2036	69,000
September 15, 2037	73,000
September 15, 2038	77,000
September 15, 2039	81,000
September 15, 2040	85,000
September 15, 2041	90,000
September 15, 2042	95,000
September 15, 2043	100,000
September 15, 2044	106,000
September 15, 2045	112,000
September 15, 2046	119,000
September 15, 2047	126,000
September 15, 2048	133,000
September 15, 2049	204,000
September 15, 2050	216,000
September 15, 2051	228,000
September 15, 2052	242,000
September 15, 2053	256,000
September 15, 2054*	271,000

* Stated Maturity.

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

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to the Indenture shall be reduced, at the option of the City, by the

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

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

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 15, 2032, such redemption date or dates to be fixed by the City, at the Redemption Price ("*Optional Redemption*").

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

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

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

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

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

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the Holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the Holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the Holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such Holder and upon all future Holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within forty-five (45) calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond called for redemption in part.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

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

It is hereby certified and recited that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened

in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary of the City, and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Bond.

City Secretary

Mayor

(City Seal)

(b) Form of Comptroller's Registration Certificate.

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

UMB BANK, N.A.,
as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

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

Dated: _____

Signature Guaranteed by:

Authorized Signatory

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

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

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) the Initial Bond shall be numbered T-1; and

(iii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2031	\$ 342,000	4.625 %
***	***	***
2054	2,928,000	5.875"

Section 5.3. **CUSIP Registration.**

The City may secure identification numbers through CUSIP Global Services, managed by S&P Global Markets Intelligence on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. Except as authorized under Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than \$25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$25,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. **Legal Opinion.**

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

ARTICLE VI

FUNDS AND ACCOUNTS

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

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

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;

- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund; and
- (vii) Administrative Fund.

(b) Creation of Accounts.

Bond Fund:

- (i) The following Accounts are hereby created and established under the
 - (A) Capitalized Interest Account; and
 - (B) Principal and Interest Account.

Reserve Fund:

- (ii) The following Accounts are hereby created and established under the
 - (A) Reserve Account; and
 - (B) Delinquency and Prepayment Reserve Account.

Project Fund:

- (iii) The following Accounts are hereby created and established under the
 - (A) Improvement Area #4 Bond Improvement Account; and
 - (B) Costs of Issuance Account.

Pledged Revenue Fund:

- (A) Bond Pledged Revenue Account.

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

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

Section 6.2. Initial Deposits to Funds and Accounts.

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

- (i) to the Capitalized Interest Account: \$62,612.50;
- (ii) to the Reserve Account: \$287,263.76, which is equal to the initial Reserve Account Requirement;
- (ii) to the Costs of Issuance Account: \$236,000.00;
- (iii) to the Administrative Fund: \$30,000.00; and
- (iv) to the Improvement Area #4 Bond Improvement Account: \$2,543,435.86.

Section 6.3. Pledged Revenue Fund.

(a) Upon receipt thereof, and no later than February 15 of each year, beginning February 15, 2025, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with Section 6.9 hereof. Following such deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred, pursuant to a City Order provided to the Trustee, the following amounts from the Pledged Revenue Fund to the following Accounts: (i) first, to the Bond Pledged Revenue Account, an amount sufficient to pay all debt service on the Bonds coming due in the immediately following Bond Year, and (ii) second, if necessary, to the Reserve Account, the amount required to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in Section 6.7 hereof and, immediately following the initial deposit to the Pledged Revenue Fund, and prior to any other transfers or deposits being made under this Section 6.3(a), the Additional Interest shall be transferred to the Funds and Accounts as prescribed by Sections 6.7(a) and 6.7(f) hereof. In addition, in the event the City owes Rebatable Arbitrage to the United States Government pursuant to Section 6.8 hereof, the City shall provide a City Order to the Trustee to transfer to the Rebate Fund, prior to any other transfer under this Section 6.3(a), the full amount of Rebatable Arbitrage owed by the City, as further described in Section 6.10(f) hereof. If any Assessments and Annual Installments remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess Assessments and Annual Installments for any one or more of the following purposes: (i) pay Improvement Area #4 Costs, (ii) pay other costs permitted by the PID Act or (iii) deposit such excess into the Redemption Fund to redeem Bonds as provided in Article IV of this Indenture. Along with each transfer to the Trustee, the City shall provide a certificate as to the Funds, Accounts and payments into which the amounts are to be deposited or paid.

(b) From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw

from the Pledged Revenue Fund and transfer to the Principal and Interest Account, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds in the same manner described in Section 11.4(a) herein.

(d) Notwithstanding Section 6.3(a) hereof, as directed by the City pursuant to a City Order, the Trustee shall deposit, within two Business Days after receipt thereof, Prepayments to the Pledged Revenue Fund and after such deposit shall transfer such Prepayments to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 of this Indenture.

(e) Notwithstanding Section 6.3(a) hereof, as directed by the City pursuant to a City Order, the Trustee shall deposit, within two Business Days after receipt thereof, the Foreclosure Proceeds into the Pledged Revenue Fund and after such deposit shall transfer such Foreclosure Proceeds, first to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate (first, to replenish the Reserve Account Requirement and second, to replenish the Delinquency and Prepayment Reserve Requirement), and second, to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 of this Indenture.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in Section 6.3(a) hereof, as directed by the City in a City Order.

Section 6.4. Bond Fund.

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

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

(c) Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on September 15, 2024. Not later than five Business Days prior to the

Interest Payment Date specified above, the Trustee shall withdraw from the Capitalized Interest Account and transfer to the Principal and Interest Account all interest due on the Bonds on such Interest Payment Dates. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Improvement Area #4 Bond Improvement Account or, if the Improvement Area #4 Bond Improvement Account has been closed as provided herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 and the Capitalized Interest Account shall be closed.

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

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in clauses (i) and (iii) (excluding the portions of the Bond Issuance Costs deposited into the Reserve Account and the Capitalized Interest Account) of Section 3.1 of this Indenture. Except as provided in Section 6.5(c), (e) and (f) of this Indenture, money on deposit in the Improvement Area #4 Bond Improvement Account shall only be used to pay Improvement Area #4 Costs.

(b) Disbursements from the Costs of Issuance Account shall be made by the Trustee to pay specified portions of the Bond Issuance Costs pursuant to one or more City Orders. Disbursements from the Improvement Area #4 Bond Improvement Account to pay Improvement Area #4 Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment as described in the Reimbursement Agreement. Each such City Order and/or Certificate for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Order and/or Certificate for Payment and the Trustee may rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #4 Bond Improvement Account are not expected to be expended for purposes of the Improvement Area #4 Bond Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #4 Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #4 Bond Improvement Account will ever be expended for the purposes of the Improvement Area #4 Bond Improvement Account, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Improvement Area #4 Bond Improvement Account that are not expected to be used for purposes of the Improvement Area #4 Bond Improvement Account. In such City Order, the City Representative shall direct the Trustee to transfer such amounts to (i) the Bond Fund and/or (ii) the Redemption Fund, and such City Order shall also specify the amounts to be deposited into each such Fund or Account. Upon such transfers, the Improvement Area #4 Bond Improvement Account shall be closed.

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

(e) In the event the City Representative files a City Order with the Trustee stating that all Improvement Area #4 Improvements have been completed and that all Improvement Area #4 Costs have been paid, or that any Improvement Area #4 Costs are not required to be paid from the Improvement Area #4 Bond Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining in the Improvement Area #4 Bond Improvement Account to (i) the Bond Fund and/or (ii) the Redemption Fund, as directed by the City Representative in such City Order; provided, however, that the City Representative shall not file a City Order pursuant to this Section if the Developer has submitted a Certificate for Payment to the City requesting payment from the Improvement Area #4 Bond Improvement Account and the City has not yet completed its review of such Certificate for Payment or amounts under a Certificate for Payment are still in dispute. Upon such transfers, the Improvement Area #4 Bond Improvement Account shall be closed.

(f) Upon a determination by the City Representative that all Bond Issuance Costs have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvement Area #4 Bond Improvement Account and used to pay Improvement Area #4 Costs or, if no Improvement Area #4 Costs remain to be funded, to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Order filed with the Trustee, and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee, pursuant to a City Order, shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 hereof on the dates specified for redemption as provided in Sections 4.3 and 4.4 hereof. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV hereof.

Section 6.7. Reserve Fund.

(a) The City agrees with the Owners of the Bonds to accumulate and, when accumulated, maintain in the Reserve Account an amount equal to not less than the Reserve Account Requirement. Amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purposes set forth in this Indenture. In addition, as directed by a City Order, on or before March 15, 2025, and on or before March 15 of each year thereafter, the Trustee shall transfer the Additional Interest from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At the time the Delinquency and Prepayment Reserve Requirement is fully accumulated in the Delinquency and Prepayment Reserve Account, the Trustee shall provide written notice thereof to the City, and thereafter, the Trustee shall begin transferring the Additional Interest to either (i) the Administrative Fund for the payment of Annual Collection Costs or (ii) the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 hereof, as directed by the City pursuant to a

City Order. In the event the Trustee does not receive a City Order directing the transfer of the Additional Interest to the Administrative Fund within forty-five (45) days of providing the foregoing notice to the City, the Trustee shall transfer the Additional Interest to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof and provide the City with written notification of such transfer. Notwithstanding the foregoing, if at any time the amount on deposit in the Delinquency and Prepayment Reserve Account falls below the Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated therein. In transferring the amounts pursuant to this Section, the Trustee may conclusively rely on a City Order (which shall be based on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan) unless and until it receives a City Order directing that a different amount be used. The Additional Interest shall continue to be collected and deposited pursuant to this Section 6.7 until the Bonds are no longer Outstanding.

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

(c) In the event of an extraordinary optional redemption of Bonds resulting from funds being deposited into the Redemption Fund pursuant to any provision of this Indenture, the Trustee, pursuant to a City Order, shall transfer from the Reserve Account to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the funds on deposit in the Redemption Fund toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed pursuant to this Section 6.7(c), the Trustee shall transfer an amount equal to the shortfall, or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of \$1,000, from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(d) If on any Interest Payment Date, or on any other date as directed by a City Order, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess and shall transfer such excess to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within thirty (30) days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, (iii) to the Improvement Area #4 Bond Improvement Account to pay Improvement Area #4 Costs if such application and the expenditure of funds is expected to occur within three years of the Delivery Date, or (iv) to the Redemption Fund to be applied to the redemption of Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date as directed by a City Order, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Annual Collection Costs or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 hereof. In the event the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within forty-five (45) days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with this Section.

(f) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Delinquency and Prepayment Reserve Account and second from the Reserve Account to the Bond Fund the amounts necessary to cure such deficiency. In such event, notwithstanding anything to the contrary in Section 6.7(a) above, the Additional Interest shall be used to replenish first, the Reserve Account and second, the Delinquency and Prepayment Reserve Account.

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

(h) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(i) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and interest due on all Outstanding Bonds on the next Interest Payment Date or date on which the Bonds may be optionally redeemed by the City at the Redemption Price, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate, as further set forth in a City Order sent to the Trustee.

The Trustee may conclusively rely on such City Order as set forth in this Section and shall not be responsible for any loss or liability resulting from the investment of funds under this Section, but only so long as the Trustee follows such City Order in all respects.

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

(d) The first calculation to determine whether Rebatable Arbitrage is owed to the United States Government (each, a "Rebate Calculation") will be done on the date that is five years from the Delivery Date, and each subsequent Rebate Calculation will be done, at a minimum, (i) on the same date every five years thereafter and (ii) on the date the Bonds have been paid in full, either as a result of maturity or prior redemption. The City shall provide the Trustee with a City Order in connection with each Rebate Calculation made pursuant to this Section, and each City Order shall include a copy of the Rebate Calculation and shall state whether or not the City owes Rebatable Arbitrage to the United States Government.

(e) In the event it is found, after a Rebate Calculation has been done pursuant to this Section, that the City owes Rebatable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Order, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatable Arbitrage owed by the City. Such City Order shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the funds shall be transferred. If the final Rebate Calculation shows that the City owes Rebatable Arbitrage to the United States Government, and there are insufficient funds in the Pledged Funds to pay such Rebatable Arbitrage, the Trustee shall notify the City of such insufficiency, and the City shall transfer to the Trustee an amount equal to such insufficiency for deposit into the Rebate Fund within five (5) Business Days of receiving notice from the Trustee.

(f) If, on any date a Rebate Calculation is done, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a City Order, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.9. Administrative Fund.

(a) Upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan, and other funds directed by this Indenture to be deposited therein.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10. **Investment of Funds.**

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

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities as directed pursuant to a City Order.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments or whether investments comply with Section 6.10(a) above. The Parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding

provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

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

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

Section 6.11. Security of Funds.

All Funds heretofore created or reaffirmed, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Indenture.

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

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

Section 7.2. Collection and Enforcement of Assessments.

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

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

(c) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding particular Assessed Property.

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

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds issued to refund all or a portion of any Outstanding Bonds or Outstanding Refunding Bonds pursuant to Section 13.2 hereof, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and any Refunding Bonds, secured by any pledge of or other lien or charge on the Trust Estate, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any Bonds are Outstanding, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and Holder or Holders of any Bonds or any duly authorized agent or agents of such Holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than thirty (30) days after the City receives such request.

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

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

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

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

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

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

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

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

(A) proceeds of the Bonds invested for a reasonable temporary period of three (3) years or less or, in the case of a refunding bond, for a period of ninety (90) days or less until such proceeds are needed for the purpose for which the Bonds are issued,

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

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

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

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

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

(b) In order to facilitate compliance with the above covenant (a)(9), the Rebate Fund is established by the City pursuant to Section 6.1 hereof for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor and the City Manager to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Improvement Area #4 Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Improvement Area #4 Improvements are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than sixty (60) days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. Liability of City.

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

(b) The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

(c) In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

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

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate or the amounts collected to pay Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of

the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the express terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds agree. No implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and with respect to the Bonds.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified, to the extent permitted by law, to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that absent an Event of Default, the Trustee shall not request or require indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to deliver any notice when 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 indemnification, and in such case the Trustee may make transfers from the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue Fund, to pay all fees, costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application

of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; or (v) to undertake any other action unless specifically authorized pursuant to a City Order or pursuant to this Indenture.

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

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Improvement Area #4 Improvements. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

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

Section 9.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. Trustee Protected in Relying on Certain Documents.

(a) The Trustee may conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant that the Trustee shall in good faith reasonably believe to be qualified in relation to the subject matter or is selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into, and shall not be deemed to have knowledge of, any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may consult with counsel selected by the Trustee with

due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

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

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

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee, at the written direction of the City, shall transfer from the Administrative Fund, the previously determined and agreed upon, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar and extraordinary services rendered, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, all pursuant to a City Order and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Order, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the Trustee has reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee shall make such payment from lawfully available funds in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from other lawfully available funds (other than funds designated by the City for arbitrage rebate purposes) in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder. The right of the Trustee to expenses and indemnification shall survive the release, discharge and satisfaction of this Indenture.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any

Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of Holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the Holders of a majority of the Bonds. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be liable for any permissive actions taken except as a consequence of its own negligence or misconduct.

Section 9.8. Resignation of Trustee.

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

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least a majority of the Bonds in aggregate Outstanding principal amount by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% in aggregate Outstanding principal amount of the Bonds.

Section 9.10. Successor Trustee.

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

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 25% in aggregate Outstanding principal amount of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

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

(c) If in a proper case no appointment of a successor Trustee shall be made within forty-five (45) days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

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

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

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and, upon the receipt of payment of its outstanding charges, shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Trustee To File Continuation Statements.

If necessary, the Trustee shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC; provided unless the Trustee is otherwise notified by the City, the Trustee may conclusively rely upon the initial filing statements delivered to it in filing any continuation statements hereunder. The Trustee is not responsible for the initial filing of any financing statements. The City shall timely deliver a copy of such filed financing statement, if any, to the Trustee.

Section 9.14. Accounts, Periodic Reports and Certificates.

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

Section 9.15. Offering Documentation.

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

Section 9.16. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of not less than a majority in aggregate of the principal amount of the Bonds then Outstanding, and the City's approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the principal of or interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of and interest on any Bond, without the express consent of the Owner of such Bond, (ii) permit the creation by the City of any pledge or lien upon the Trust Estate, or any portion thereof, superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except for the issuance of Refunding Bonds or as otherwise permitted by Applicable Laws or this Indenture), or (iii) reduce the percentage of Owners of the Bonds required for the amendment hereof. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law, and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to set forth additional provisions, if deemed necessary or advisable, in connection with the issuance of Refunding Bonds permitted under the terms of this Indenture; and

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

Section 10.2. Owners' Meetings.

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

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

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

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture, a notice shall have been mailed as hereinafter in this Section provided, and the City has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. Procedure for Amendment Not Requiring Owner Consent.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. The City shall direct the Trustee to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, mailed by first class mail to each Owner of Bonds, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

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

Section 10.5. Effect of Supplemental Indenture.

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

Section 10.6. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.7. Amendatory Endorsement of Bonds.

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

Section 10.8. Waiver of Default.

With the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. Execution of Supplemental Indenture.

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

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

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit to the Pledged Revenue Fund the portion of the Assessment Revenues required to be deposited to such Fund pursuant to Section 6.3(a) hereof;

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

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and which shall give such notice at the written request of the Owners of not less than a majority in aggregate principal

amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice; and

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

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

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding hereunder shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate, and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and

deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing as provided in Section 11.1, (ii) such default has become an Event of Default and the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee as advised by its counsel, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

(c) In case the Trustee or any Owners shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

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

(a) All moneys, securities, funds, Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article, 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, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

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

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due or Redemption Price and to the Owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners pursuant to this Section 11.4 not later than thirty (30) days after receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

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

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Full compliance with any provision in this Article for the mailing of a notice or other document to Owners shall be deemed to have occurred if the notice is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

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

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate is and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. General.

The City shall do and perform or cause to be done and performed all reasonable acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Other Obligations or Other Liens; Subordinate Lien Obligations; Refunding Bonds.

(a) The City reserves the right to issue Other Obligations under other indentures, assessment ordinances, or other agreements which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues. The City shall not have the right to issue any bonds, notes or other obligations secured in whole or in part by liens on the Trust Estate that are senior to the lien on the Pledged Revenues securing payment of the Bonds.

(b) Other than Refunding Bonds issued to refund all or a portion of Outstanding Bonds or Outstanding Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be done or omit to be done any matter or thing whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; provided, however, that the City has reserved the right to issue bonds or other obligations secured by and payable from the Pledged Revenues so long as such pledge is subordinate to the pledge of the Pledged Revenues securing payment of the Bonds.

(c) Notwithstanding anything herein to the contrary, no Refunding Bonds may be issued by the City 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 or be subject to mandatory sinking fund redemption on September 15 in each 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 in each of the years in which interest is scheduled to be paid; provided, however, that the foregoing restrictions shall not apply to Refunding Bonds issued to redeem all of the then-Outstanding Bonds.

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the City, which relate to the Trust Estate and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THIS INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. Bonds Deemed Paid.

(a) Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities that mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds and shall not be part of the Trust Estate. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

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

redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

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

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

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

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

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

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

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

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

Section 15.4. No Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City	City of Royse City, Texas 305 N. Arch Street Royse City, Texas 75189 Attn: City Manager Telephone: (972) 636-2250
----------------	---

If to the Trustee, initially also acting in the capacity of Paying Agent/Registrar	UMB Bank, N.A. 5910 N Central Expressway, Suite 1900 Dallas, Texas 75206 Attn: Israel Lugo Telephone: (214) 389-5947
--	--

(b) 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 in writing and sent as specified above.

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

(d) The Trustee shall mail to each Owner of a Bond notice of the redemption or defeasance of all Bonds Outstanding.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that anyone or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

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

for any action to enforce or construe this Indenture shall be a state court of competent jurisdiction in Rockwall County, Texas.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal 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. The City and the Trustee agree that electronic signatures to this Indenture may be regarded as original signatures.

Section 15.10. Verifications of Statutory Representations and Covenants.

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

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

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

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

the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

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

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

CITY OF ROYSE CITY, TEXAS

By: _____
Mayor

Attest:

City Secretary

(City Seal)

City Signature Page to Indenture of Trust

UMB BANK, N.A.,
as Trustee

By: _____
Authorized Officer

Trustee Signature Page to Indenture of Trust

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APPENDIX C

FORM OF AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

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Waterscape Public Improvement District

2024 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

APRIL 23, 2024



AUSTIN, TX | NORTH RICHLAND HILLS, TX

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INTRODUCTION

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

On October 11, 2016, the City Council of the City of Royse City, Texas passed and approved Resolution No. 16-10-1170R authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon approval in accordance with the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 310.11 acres located within the extraterritorial jurisdiction and corporate limits of the City, as described by the legal description, and depicted on **Exhibit A-1**.

On December 12, 2017, the City Council approved the Original Service and Assessment Plan and levied Assessments to finance the Authorized Improvements to be constructed for the benefit of the Assessed Property within the District by approving the Original Assessment Ordinance. The Original Service and Assessment Plan identified the Authorized Improvements to be provided by the District, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the District for the costs of the Authorized Improvements. The City also adopted Assessment Rolls identifying the Assessment on each Lot within the District, based on the method of assessment identified in the Original Service and Assessment Plan.

On August 28, 2018, the City Council approved the 2018 Annual Service Plan Update by approving Ordinance No. 18-08-1291. The 2018 Annual Service Plan Update updated the Assessment Roll for 2018.

On August 13, 2019, the City Council approved the 2019 Annual Service Plan Update by approving Ordinance No. 19-08-1327. The 2019 Annual Service Plan Update updated the Assessment Roll for 2019.

On November 19, 2019, the City Council approved the 2019 Amended and Restated Service and Assessment Plan by approving Ordinance No. 19-11-1345. The 2019 Amended and Restated Service and Assessment Plan amended and restated the Original Service and Assessment Plan, the 2018 Annual Service Plan Update, and the 2019 Annual Service Plan Update in their entirety

for the purposes of (1) issuing Improvement Area #1 Additional Bonds to fund Improvement Area #1 Authorized Improvements or refinance the Improvement Area #1 Reimbursement Obligation; (2) subdividing the Future Improvement Area into Improvement Area #2 and the 2019 Improvement Area #3; (3) terminating and releasing the Future Improvement Area Assessments; (4) levying the Improvement Area #2 Assessments and the Improvement Area #3 Stale Assessments; (5) issuing the Improvement Area #2 Bonds; and (6) updating the Assessment Rolls for 2019.

On June 23, 2020, the City Council approved the 2020 Annual Service Plan Update by approving Ordinance No. 20-06-1387, which updated the Assessment Rolls for 2020.

On July 13, 2021, the City Council approved the 2021 Annual Service Plan Update by approving Ordinance No. 21-07-1451, which updated the Assessment Rolls for 2021.

On December 14, 2021, the City Council approved the 2021 December Service Plan Update by approving Ordinance No. 21-12-1492, which updated the Assessment Rolls for 2021.

On, August 9, 2022, the City Council approved the 2022 Amended and Restated Service and Assessment Plan by adopting Ordinance No. 22-08-1535, which served to amend and restate the 2019 Amended and Restated Service and Assessment Plan, the 2020 Annual Service Plan Update, the 2021 Annual Service Plan Update, and the 2021 December Service Plan Update in their entirety for the purposes of (1) terminating and releasing the Improvement Area #3 Stale Assessments; (2) dividing the 2019 Improvement Area #3 into Improvement Area #3 and Improvement Area #4; (3) levying the Improvement Area #3 Assessment; (4) issuing the Improvement Area #3 Bonds; and (5) updating the Assessment Rolls.

On September 26, 2023, the City Council approved the 2023 Annual Service Plan Update by approving Ordinance No. 23-09-1597, which updated the Assessment Rolls for 2023.

This 2024 Amended and Restated Service and Assessment Plan serves to amend and restate the 2022 Amended and Restated Service and Assessment Plan and the 2023 Annual Service Plan Update in their entirety for the purposes of (1) levying the Improvement Area #4 Assessment on Improvement Area #4 Assessed Property; (2) issuing the Improvement Area #4 Bonds; and (3) updating the Assessment Rolls.

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

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

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Assessment Roll for Improvement Area #1 is included as **Exhibit E-1**. The Assessment Roll for Improvement Area #2 is included as **Exhibit F-1**. The Assessment Roll for Improvement Area #3 is included as **Exhibit G-1**. The Assessment Roll for Improvement Area #4 is included as **Exhibit H-1**. The Assessment Roll for the Major Improvement Area is included as **Exhibit I-1**.

SECTION I: DEFINITIONS

“2019 Amended and Restated Service and Assessment Plan” means the Amended and Restated Service and Assessment Plan approved by the City Council on November 19, 2019, by Ordinance No. 19-11-1345.

“2019 Assessment Ordinance” means Ordinance No. 19-11-1345 which was passed and adopted by the City Council on November 19, 2019, and levied Assessments against Improvement Area #2 and the 2019 Improvement Area #3 in the District.

“2019 Improvement Area #3” means the area identified as “Improvement Area #3” in the 2019 Amended and Restated Service and Assessment Plan, which has been divided into Improvement Area #3 and Improvement Area #4.

“2021 December Service Plan Update” means the Annual Service Plan Update approved on December 14, 2021, by Ordinance No. 21-12-1492.

“2022 Amended and Restated Service and Assessment Plan” means the 2022 Amended and Restated Service and Assessment Plan approved by the City Council on August 9, 2022.

“2022 Assessment Ordinance” means Ordinance No. 22-08-1535 which was passed and adopted by the City Council on August 9, 2022, and levied Assessments against Improvement Area #3 in the District.

“2024 Amended and Restated Service and Assessment Plan” means this 2024 Amended and Restated Service and Assessment Plan approved by the City Council on April 23, 2024.

“2024 Assessment Ordinance” means Ordinance No. _____ which was passed and adopted by the City Council on April 23, 2024, and which levied the Improvement Area #4 Assessment against Improvement Area #4 Assessed Property and approved this 2024 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 Owners: (1) to plan, finance, design, acquire, construct, install, and dedicate such improvements to the City; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections and other governmental approvals; (4) to acquire easements and other right-of-way; (5) for third-party professional consulting services including, but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (6) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; (7) of fees charged by the City or any other

political subdivision or governmental authority; and (8) to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by the Owners. Actual Costs shall not include general contractor's fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsections (3), (4), (5), (7) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

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

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

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

"Amended and Restated ETJ Development Agreement" means that certain "Amended and Restated ETJ Development Agreement," effective October 22, 2019, by and between the City and the Owner, including all addendums.

"Amended and Restated PID Reimbursement Agreement" means that certain "Amended and Restated PID Reimbursement Agreement – Waterscape," effective November 19, 2019, as amended on July 26, 2022, and as may be further amended and/or supplemented from time to time, by and between the City and the Owner, as the developers of the Authorized Improvements, in which the Owner agrees to construct the Authorized Improvements and to fund certain Actual Costs of the Authorized Improvements and the City agrees to (i) pay directly or reimburse the Owner for Actual Costs of an Authorized Improvement from the proceeds of PID Bonds in accordance with the PID Act, this 2024 Amended and Restated Service and Assessment Plan and the applicable Indenture, and (ii) reimburse the Owner for Actual Costs of an Authorized Improvement not paid by proceeds of PID Bonds solely from the revenue collected from Assessments, including Annual Installments, not pledged to the payment of PID Bonds.

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the creation 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 City; (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) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this 2024 Amended and Restated Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including the City'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 of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) with respect to the Assessments securing PID Bonds, Additional Interest related to the PID Bonds.

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

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

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

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

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

“Assessment Roll” means any assessment roll for the Assessed Property, including the Improvement Area #1 Assessment Roll, the Improvement Area #2 Assessment Roll, the Improvement Area #3 Assessment Roll, the Improvement Area #4 Assessment Roll, and the Major Improvement Area 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 issuance of PID Bonds, or in any Annual Service Plan Update.

“Authorized Improvements” means the improvements authorized by Section 372.003 of the PID Act, as described in **Section III**, as further depicted on **Exhibit J-1, Exhibit J-2, Exhibit J-3, Exhibit J-4, and Exhibit J-5**.

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

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

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

“County” means Rockwall County, Texas.

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

“District” means the Waterscape Public Improvement District containing approximately 310.11 acres located within the extraterritorial jurisdiction and corporate limits of the City, and more specifically described and depicted on **Exhibit A-1**.

“Estimated Buildout Value” means the estimated value of an Assessed Property with fully constructed buildings, as provided by the Owner, and confirmed by the City Council, by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that, in the judgment of the City, may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit K**, and is set for each Lot Type when the Assessment Ordinance levying Assessments for the relevant Improvement Area is adopted. Estimated Buildout Value is not updated after the Assessment Ordinance is adopted.

“Future Improvement Area” means, collectively, Improvement Area #2, Improvement Area #3, and Improvement Area #4.

“Future Improvement Area Assessment” means the Assessment levied on the Assessed Property within the Future Improvement Area per the Original Assessment Ordinance.

“Improvement Area(s)” means a distinct portion of the District described by metes and bounds that will be developed in a similar timeframe.

“Improvement Area #1” means the initial area developed within the District as generally shown on the map and plats on **Exhibit A-2**, consisting of approximately 81.46 acres.

“Improvement Area #1 Additional Bonds” means those certain “City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2019 (Waterscape Public Improvement District Improvement Area #1 Phase 1B Project)”, issued to fund Improvement Area #1 Authorized Improvements or refinance the Improvement Area #1 Reimbursement Obligation, in whole or in part, that are secured by actual revenues received by or on behalf of the City from the collection of Improvement Area #1 Assessments, or the Annual Installments thereof.

“Improvement Area #1 Annual Installment” means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #1; and (4) Additional Interest related to the Improvement Area #1 Bonds, as shown on **Exhibit E-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 Original Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation or reduction according to the provisions 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 Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included in this 2024 Amended and Restated Service and Assessment Plan as **Exhibit E-1**.

“Improvement Area #1 Authorized Improvements” means, collectively, (1) the pro rata portion of the Major Improvements allocable to Improvement Area #1; (2) the Improvement Area #1 Improvements; (3) the first year’s Annual Collection Costs related to Improvement Area #1; and (4) Bond Issuance Costs incurred in connection with the issuance of the Improvement Area #1 Bonds.

“Improvement Area #1 Bonds” means, collectively, the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds.

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

“Improvement Area #1 Initial Bonds” means those certain “City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2017 (Waterscape Public Improvement District Improvement Area #1 Project)” that are secured by actual revenues received by or on behalf of the City from the collection of Improvement Area #1 Assessments, or the Annual Installments thereof.

“Improvement Area #1 Reimbursement Obligation” means the obligation of the City to pay certain costs of Improvement Area #1 Authorized Improvements from Assessments levied on Improvement Area #1 Assessed Property pursuant to the Amended and Restated PID Reimbursement Agreement.

“Improvement Area #2” means the second area to be developed within the District as generally shown on the map and plats on **Exhibit A-3**, consisting of approximately 113.28 acres.

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

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

“Improvement Area #2 Assessment” means the Assessment levied against Improvement Area #2 Assessed Property and imposed pursuant to the 2019 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

“Improvement Area #2 Assessment Roll” means the Assessment Roll for the Improvement Area #2 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 Annual Service Plan Updates. The Improvement Area #2 Assessment Roll is included in this 2024 Amended and Restated Service and Assessment Plan as **Exhibit F-1**.

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

“Improvement Area #2 Bonds” means those certain “City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2019 (Waterscape Public Improvement District Improvement Area #2 Project)” that are secured by actual revenues received by or on behalf of the City from the collection of Improvement Area #2 Assessments, or the Annual Installments thereof.

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

“Improvement Area #3” means the third area to be developed within the District as generally shown on the map and plats on **Exhibit A-4**, consisting of approximately 84.50 acres.

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

“Improvement Area #3 Assessed Property” means any Parcel within Improvement Area #3 against which an Improvement Area #3 Assessment is levied.

“Improvement Area #3 Assessment” means the Assessment levied against Improvement Area #3 Assessed Property, and imposed pursuant to the 2022 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #3 Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

“Improvement Area #3 Assessment Roll” means the Assessment Roll for the Improvement Area #3 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 Annual Service Plan Updates. The Improvement Area #3 Assessment Roll is included in this 2024 Amended and Restated Service and Assessment Plan as **Exhibit G-1**.

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

“Improvement Area #3 Bonds” means those certain “City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2022 (Waterscape Public Improvement District Improvement Area #3 Project)” that are secured by actual revenues received by or on behalf of the City from the collection of Improvement Area #3 Assessments, or the Annual Installments thereof.

“Improvement Area #3 Improvements” means the Authorized Improvements which only benefit the Improvement Area #3 Assessed Property, as further described in **Section III.D.** and depicted on **Exhibit J-3.**

“Improvement Area #3 Stale Assessment” means the Assessment levied against Assessed Property within the 2019 Improvement Area #3 and imposed pursuant to the 2019 Assessment Ordinance and the provisions in the 2019 Amended and Restated Service and Assessment Plan, and then subsequently terminated by the 2022 Assessment Ordinance.

“Improvement Area #4” means the last area to be developed within the District as generally shown on the map on **Exhibit A-5** and described by the legal description on **Exhibit O-1**, consisting of approximately 30.87 acres. Note, Improvement Area #4 is not the same as Phase 4 referenced in the Amended and Restated ETJ Development Agreement.

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

“Improvement Area #4 Assessed Property” means any Parcel within Improvement Area #4 against which an Improvement Area #4 Assessment is levied.

“Improvement Area #4 Assessment” means the Assessment levied against Improvement Area #4 Assessed Property, and imposed pursuant to the 2024 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #4 Assessment Roll, subject to reallocation or reduction according to the provisions herein and in the PID Act.

“Improvement Area #4 Assessment Roll” means the Assessment Roll for the Improvement Area #4 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 Annual Service Plan Updates. The Improvement Area #4 Assessment Roll is included in this 2024 Amended and Restated Service and Assessment Plan as **Exhibit H-1.**

“Improvement Area #4 Authorized Improvements” means collectively, (1) the Improvement Area #4 Improvements; (2) the first year’s Annual Collection Costs related to Improvement Area #4; and (3) Bond Issuance Costs incurred in connection with the issuance of the Improvement Area #4 Bonds.

“Improvement Area #4 Bonds” means those certain “City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2024 (Waterscape Public Improvement District Improvement

Area #4 Project)” that are secured by actual revenues received by or on behalf of the City from the collection of Improvement Area #4 Assessments, or the Annual Installments thereof.

“Improvement Area #4 Improvements” means the Authorized Improvements which only benefit the Improvement Area #4 Assessed Property, as further described in **Section III.E.** and depicted on **Exhibit J-4.**

“Improvement Area #4 Initial Parcel” means all the property within Improvement Area #4 as generally shown on the map on **Exhibit A-5** and described by the legal description in **Exhibit O-1** consisting of approximately 30.87 acres.

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

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

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

“Lot Type 1” means a Lot within Improvement Area #1 marketed to homebuilders as a 50’ Lot and identified as such on the Improvement Area #1 Assessment Roll attached as **Exhibit E-1.** The buyer disclosure for Lot Type 1 is attached hereto as **Appendix A-1.**

“Lot Type 2” means a Lot within Improvement Area #1 marketed to homebuilders as a 60’ Lot and identified as such on the Improvement Area #1 Assessment Roll attached as **Exhibit E-1.** The buyer disclosure for Lot Type 2 is attached hereto as **Appendix A-2.**

“Lot Type 3” means a Lot within Improvement Area #2 marketed to homebuilders as a 50’ Lot and identified as such on the Improvement Area #2 Assessment Roll attached as **Exhibit F-1.** The buyer disclosure for Lot Type 3 is attached hereto as **Appendix A-3.**

“Lot Type 4” means a Lot within Improvement Area #2 marketed to homebuilders as a 60’ Lot and identified as such on the Improvement Area #2 Assessment Roll attached as **Exhibit F-1**. The buyer disclosure for Lot Type 4 is attached hereto as **Appendix A-4**.

“Lot Type 5” means a Lot within Improvement Area #3 marketed to homebuilders as a 40’ Lot and identified as such on the Improvement Area #3 Assessment Roll attached as **Exhibit G-1**. The buyer disclosure for Lot Type 5 is attached hereto as **Appendix A-5**.

“Lot Type 6” means a Lot within Improvement Area #3 marketed to homebuilders as a 50’ Lot and identified as such on the Improvement Area #3 Assessment Roll attached as **Exhibit G-1**. The buyer disclosure for Lot Type 6 is attached hereto as **Appendix A-6**.

“Lot Type 7” means a Lot within Improvement Area #3 marketed to homebuilders as a 60’ Lot and identified as such on the Improvement Area #3 Assessment Roll attached as **Exhibit G-1**. The buyer disclosure for Lot Type 7 is attached hereto as **Appendix A-7**.

“Lot Type 8” means a Lot within Improvement Area #4 marketed to homebuilders as a 40’ Lot and identified as such on **Exhibit A-7**. The buyer disclosure for Lot Type 8 is attached hereto as **Appendix A-8**.

“Lot Type 9” means a Lot within Improvement Area #4 marketed to homebuilders as a 50’ Lot and identified as such on **Exhibit A-7**. The buyer disclosure for Lot Type 9 is attached hereto as **Appendix A-9**.

“Major Improvement Area” means approximately 230.6 acres located within the District, and more specifically depicted on **Exhibit A-6**. The Major Improvement Area includes all the District save and except Improvement Area #1.

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

“Major Improvement Area Assessed Property” means any Parcel within the Major Improvement Area against which a Major Improvement Area Assessment is levied.

“Major Improvement Area Assessment” means the Assessment levied against the Major Improvement Area Assessed Property and related to Major Improvement Area Authorized Improvements and imposed pursuant to the Original Assessment Ordinance and the provisions herein, as shown on the Major Improvement Area Assessment Roll, subject to reallocation or reduction according to the provision herein and in the PID Act.

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

“Major Improvement Area Authorized Improvements” means collectively, (1) the Major Improvement Area Projects and (2) Bond Issuance Costs incurred in connection with the issuance of the Major Improvement Area Bonds.

“Major Improvement Area Bonds” means those certain “City of Royse City, Texas, Special Assessment Revenue Bonds, Series 2017 (Waterscape Public Improvement District Major Improvement Area Project)” that are secured by actual revenues received by or on behalf of the City from the collection of the Major Improvement Area Assessment, or the Annual Installments thereof.

“Major Improvement Area Projects” means the pro rata portion of the Major Improvements allocable to the Major Improvement Area.

“Major Improvements” means those Authorized Improvements that confer special benefit to all the Assessed Property within the District, and as further described in **Section III.A** and depicted on **Exhibit J-5**.

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

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

“Original Assessment Ordinance” means Ordinance No. 17-12-1264, which was passed and adopted by the City Council on December 12, 2017, and levied Assessments against Improvement Area #1, the Major Improvement Area, and the Future Improvement Area in the District.

“Original Service and Assessment Plan” means the Waterscape Public Improvement District Service and Assessment Plan approved by the Original Assessment Ordinance as updated and amended from time to time.

“Owner(s)” means any one or combination of Parker Creek Estates, L.P., a Texas limited partnership, Waterscape Development, LLC, a Texas limited liability company, and HC Royse 548, LLC, a Texas limited liability company, as applicable depending on the Improvement Area or document in question.

“Parcel” or “Parcels” means a specific property within the District identified by either a tax map parcel identification number assigned by the Rockwall Central Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of the County, or by any other means determined by the City.

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

“PID Bonds” means any bonds issued by the City in one or more series and secured in whole or in part by Assessments. This term is used in this 2024 Amended and Restated Service and Assessment Plan to collectively refer to: (1) the Improvement Area #1 Bonds, (2) the Major Improvement Area Bonds, (3) the Improvement Area #2 Bonds, (4) the Improvement Area #3 Bonds, and (5) the Improvement Area #4 Bonds.

“Prepayment” means the payment of all or a portion of an Assessment before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

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

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

“TIRZ No. 1” means the Waterscape Tax Reinvestment Zone Number One, City of Royse City, TX.

“TIRZ No. 1 Annual Credit Amount” is defined in **Section V.F**, which amount shall not annually exceed the TIRZ No. 1 Maximum Annual Credit Amount, and which shall be transferred from the TIRZ No. 1 Fund to the applicable pledged revenue fund pursuant to the Amended and Restated PID Reimbursement Agreement.

“TIRZ No. 1 Fund” means the tax increment fund created pursuant to the TIRZ No. 1 Ordinance where TIRZ No. 1 Revenues are deposited annually.

“TIRZ No. 1 Maximum Annual Credit Amount” means for each Lot Type, the amount shown on **Exhibit L**.

“TIRZ No. 1 Ordinance” means Ordinance No. 19-11-1342 adopted by the City Council on November 12, 2019, approving the TIRZ No. 1 Project Plan and authorizing the use of TIRZ No. 1 Revenues for project costs under the Chapter 311, Texas Tax Code as amended.

"TIRZ No. 1 Project Plan" means the Waterscape Tax Reinvestment Zone Number One, City of Royse City, Texas Project and Financing Plan, dated November 19, 2019.

"TIRZ No. 1 Revenues" mean, for each year during the term of TIRZ No. 1, the amounts which are deposited in the TIRZ No. 1 Fund pursuant to the TIRZ No. 1 Ordinance, TIRZ No. 1 Project Plan, and the Amended and Restated PID Reimbursement Agreement.

"Trustee" means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 310.11 contiguous acres located within the extraterritorial jurisdiction and corporate limits of the City, the boundaries of which are more particularly described by the legal description and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 1,102 Lots developed with single-family homes.

Improvement Area #1 includes approximately 81.46 contiguous acres located within the extraterritorial jurisdiction of the City, the boundaries of which are more particularly depicted on **Exhibit A-2**. Improvement Area #1 has been platted and includes 275 Lots (177 of which are classified as Lot Type 1, and 98 of which are classified as Lot Type 2).

Improvement Area #2 includes approximately 113.28 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly depicted on **Exhibit A-3**. Improvement Area #2 has been platted and includes 354 Lots (218 of which are classified as Lot Type 3, and 136 of which are classified as Lot Type 4).

Improvement Area #3 includes approximately 84.50 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly depicted on **Exhibit A-4**. Improvement Area #3 has been platted and includes 325 Lots (81 of which are classified as Lot Type 5, 127 of which are classified as Lot Type 6, and 117 of which are classified as Lot Type 7).

Improvement Area #4 includes approximately 30.87 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described by the legal description on **Exhibit O-1** and depicted on **Exhibit A-5**. Note, Improvement Area #4 is not the same as Phase 4 referenced in the Amended and Restated ETJ Development Agreement dated October 22, 2019. Improvement Area #4 is anticipated to include 148 Lots (58 of which are anticipated to be classified as Lot Type 8, and 90 of which are anticipated to be classified as Lot Type 9).

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Owners and their engineers and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications, as modified by the Amended and Restated ETJ Development Agreement and will be owned and operated by the City. The budget for the Authorized Improvements is shown on **Exhibit B**.

A. Major Improvements

▪ *Streets & Storm Drainage*

Improvements include improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide access for all of the Assessed Property within the District. Storm Drainage improvements include improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in the District. The storm drainage improvements will benefit all of the Assessed Property within the District.

▪ *Water & Sanitary Sewer*

Improvements include improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide water and wastewater service to all Assessed Property within the District. The water and sanitary sewer improvements benefit all of the Assessed Property within the District.

▪ *Landscaping*

Improvements include installation of landscaping, including irrigation, in public open spaces, entryway monuments and signs, establishment and improvement of lakes, park and open space.

▪ *Soft Costs*

Costs include engineering and design, construction inspection fees, geotechnical testing, governmental submittal fees, and 2% contractor completion bonds for the Major Improvements described above.

B. Improvement Area #1 Improvements

▪ *Streets*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls,

intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #1.

- *Water & Sanitary Sewer*

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

- *Storm Drainage*

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

- *Soft Costs*

Includes engineering and design, construction inspection fees, geotechnical testing, governmental submittal fees, and 2% contractor completion bonds for the Improvement Area #1 Improvements described above.

C. Improvement Area #2 Improvements

- *Streets*

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

- *Water & Sanitary Sewer*

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

- *Storm Drainage*

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

- *Right of Way*

Includes acquisition of all or a portion of the rights-of-way required to construct the streets within Improvement Area #2.

- *Soft Costs*

Includes engineering and design, construction inspection fees, geotechnical testing, governmental submittal fees, and 2% contractor completion bonds for the Improvement Area #2 Improvements described above.

D. Improvement Area #3 Improvements

- *Streets*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #3.

- *Water & Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide water and wastewater service to all Lots within Improvement Area #3.

- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Improvement Area #3.

- *Soft Costs*

Includes engineering and design, construction inspection fees, geotechnical testing, governmental submittal fees, and 2% contractor completion bonds for the Improvement Area #3 Improvements described above.

E. Improvement Area #4 Improvements

- *Streets*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #4.

- *Water & Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide water and wastewater service to all Lots within Improvement Area #4.

- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Improvement Area #4.

- *Soft Costs*

Includes engineering and design, construction inspection fees, geotechnical testing, governmental submittal fees, and 2% contractor completion bonds for the Improvement Area #4 Improvements described above.

F. Bond Issuance Costs

- *Debt Service Reserve Fund*

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

- *Capitalized Interest*

Equals the capitalized interest payments on a series of PID Bonds as reflected in an applicable Indenture.

- *Underwriter's Discount*

Equals a percentage of the par amount of a series of PID Bonds plus a fee for underwriter's counsel.

- *Cost of Issuance*

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

G. Other Costs

- *First Year Deposit to Administrative Fund*

Includes District Annual Collection Costs for the first year immediately following the issuance of a 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 Service Plan for the District. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this 2024 Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix A**.

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.

SECTION V: ASSESSMENT PLAN

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

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

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner, developers, and all future owners and developers of the Assessed Property.

A. Assessment Methodology

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

- The costs of the Major Improvements were allocated between Improvement Area #1 and the Major Improvement Area pro rata based on the ratio of the Estimated Buildout Value of each Parcel designated as Major Improvement Area Assessed Property or Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Assessed Property within the District at the time the Original Service and Assessment Plan was approved. At that time, Improvement Area #1 was allocated 27.17% of the Major Improvements, and the Major Improvement Area was allocated the remaining 72.83% of the Major Improvements.

- The costs of the Major Improvement Area Authorized Improvements were allocated 100% to Major Improvement Area Assessed Property by spreading the entire Major Improvement Area Assessment across all Major Improvement Area Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Major Improvement Area Assessed Property to the Estimated Buildout Value of all Major Improvement Area Assessed Property at the time the Original Service and Assessment Plan was approved.
- The costs of the Improvement Area #1 Authorized Improvements were allocated 100% to Improvement Area #1 Assessed Property by spreading the entire Improvement Area #1 Assessment across all Improvement Area #1 Assessed Property 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 at the time the Original Service and Assessment Plan was approved.
- The costs of the Improvement Area #2 Authorized Improvements were allocated 100% to Improvement Area #2 Assessed Property by spreading the entire Improvement Area #2 Assessment across all Improvement Area #2 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #2 Assessed Property to the Estimated Buildout Value of all Improvement Area #2 Assessed Property at the time the 2019 Amended and Restated Service and Assessment Plan was approved.
- The costs of the Improvement Area #3 Authorized Improvements were allocated 100% to Improvement Area #3 Assessed Property by spreading the entire Improvement Area #3 Assessment across all Improvement Area #3 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #3 Assessed Property to the Estimated Buildout Value of all Improvement Area #3 Assessed Property at the time the 2022 Amended and Restated Service and Assessment Plan was approved.
- Improvement Area #4 Authorized Improvements shall be allocated 100% to Improvement Area #4 Assessed Property by spreading the entire Improvement Area #4 Assessment across all Improvement Area #4 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #4 Assessed Property to the Estimated Buildout Value of all Improvement Area #4 Assessed Property. Currently, the Improvement Area #4 Initial Parcel is the only Parcel within Improvement Area #4, and as such, the Improvement Area #4 Initial Parcel is allocated 100% of the Improvement Area #4 Authorized Improvements.

B. Assessments

Assessments are levied on the Assessed Property according to the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit E-1**, the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit F-1**, the Improvement Area #3 Assessment Roll, attached hereto as **Exhibit G-1**, the Improvement Area #4 Assessment Roll, attached hereto as **Exhibit H-1**, and the Major Improvement Area Assessment Roll, attached hereto as **Exhibit I-1**. The projected Annual Installments for Improvement Area #1 are shown on **Exhibit E-2**, the projected Annual Installments for Improvement Area #2 are shown on **Exhibit F-2**, the projected Annual Installments for Improvement Area #3 are shown on **Exhibit G-2**, the projected Annual Installments for Improvement Area #4 are shown on **Exhibit H-2**, and the projected Annual Installments for the Major Improvement Area are shown on **Exhibit I-2**, subject to revisions made in any Annual Service Plan Update. Upon division or subdivision of the Improvement Area #4 Initial Parcel, the Improvement Area #4 Assessment, and the Major Improvement Area Assessment will be reallocated pursuant to **Section VI**.

The Maximum Assessment for each Lot Type within Improvement Area #1, Improvement Area #2, Improvement Area #3, and Improvement Area #4 is shown on **Exhibit K**. In no case will the Assessment for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, Lot Type 6, Lot Type 7, Lot Type 8, or Lot Type 9 exceed the corresponding Maximum Assessment.

C. Findings of Special Benefit

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

- *Improvement Area #1 Assessments*
 - The costs of the Improvement Area #1 Authorized Improvements equal \$10,093,416 as shown on **Exhibit B**; and
 - 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; and
 - With the adoption of the Original Assessment Ordinance, the Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1

Assessment levied for the Improvement Area #1 Authorized Improvements, which equals \$6,250,000¹;

- The special benefit (\geq \$10,093,416) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Authorized Improvements is equal to or greater than the amount of the Improvement Area #1 Assessment (\$6,250,000) levied on the Improvement Area #1 Assessed Property for the Improvement Area #1 Authorized Improvements.
- *Major Improvement Area Assessments*
 - The costs of the Major Improvement Area Authorized Improvements equal \$5,905,482 as shown on **Exhibit B**; and
 - The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Authorized Improvements equal to or greater than the Actual Cost of the Major Improvement Area Authorized Improvements; and
 - With the adoption of the Original Assessment Ordinance, the Major Improvement Area Assessed Property was allocated 100% of the Major Improvement Area Assessment. The Major Improvement Area Assessment was levied on Major Improvement Area Assessed Property for the Major Improvement Area Authorized Improvements, which equals \$5,150,000²;
 - The special benefit (\geq \$5,905,482) received by the Major Improvement Area Assessed Property from the Major Improvement Area Authorized Improvements is equal to or greater than the amount of the Major Improvement Area Assessment (\$5,150,000) levied on the Major Improvement Area Assessed Property for the Major Improvement Area Authorized Improvements; and
- *Improvement Area #2 Assessments*
 - The costs of the Improvement Area #2 Authorized Improvements equal \$14,631,657 as shown on **Exhibit B**; and

¹ \$3,425,000 of the Improvement Area #1 Assessment is attributable to Improvement Area #1 Initial Bonds, \$38,610 is principal paid under the Improvement Area #1 Reimbursement Obligation, \$2,785,000 is attributable to the Improvement Area #1 Additional Bonds, and \$1,390 is forgiven for rounding purposes.

² The Major Improvement Area Assessment is allocated to Improvement Area #2, Improvement Area #3, and Improvement Area #4 pursuant to **Section VI** of this 2024 Amended and Restated Service and Assessment Plan.

- The Improvement Area #2 Assessed Property receives special benefit from the Improvement Area #2 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #2 Authorized Improvements; and
 - With the adoption of the 2019 Assessment Ordinance, the Improvement Area #2 Assessed Property was allocated 100% of the Improvement Area #2 Assessment levied for the Improvement Area #2 Authorized Improvements, which equal \$8,570,000; and
 - The special benefit ($\geq \$14,631,657$) received by the Improvement Area #2 Assessed Property from the Improvement Area #2 Authorized Improvements is equal to or greater than the amount of the Improvement Area #2 Assessment (\$8,570,000) levied on the Improvement Area #2 Assessed Property for the Improvement Area #2 Authorized Improvements; and
 - At the time the City Council approved the 2019 Amended and Restated Service and Assessment Plan, Waterscape Development, LLC, a Texas limited liability company, (the “Improvement Area #2 Owner”) owned 100% of the Improvement Area #2 Assessed Property. The Improvement Area #2 Owner acknowledged that the Improvement Area #2 Improvements confer a special benefit on the Improvement Area #2 Assessed Property and consented to the imposition of the Improvement Area #2 Assessments to pay for the Actual Costs associated therewith. The Improvement Area #2 Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, and the 2019 Assessment Ordinance levying the Improvement Area #2 Assessment; (2) the 2019 Amended and Restated Service and Assessment Plan and the 2019 Assessment Ordinance levying the Improvement Area #2 Assessment; and (3) the levying of the Improvement Area #2 Assessments on the Improvement Area #2 Assessed Property.
- *Improvement Area #3*
- The costs of the Improvement Area #3 Authorized Improvements equal \$8,912,987 as shown on **Exhibit B**; and
 - The Improvement Area #3 Assessed Property receives special benefit from the Improvement Area #3 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #3 Authorized Improvements; and
 - With the adoption of the 2022 Assessment Ordinance, the Improvement Area #3 Assessed Property was allocated 100% of the Improvement Area #3 Assessment

levied for the Improvement Area #3 Authorized Improvements, which equals \$8,070,000;

- The special benefit ($\geq \$8,912,987$) received by the Improvement Area #3 Assessed Property from the Improvement Area #3 Authorized Improvements is equal to or greater than the amount of the Improvement Area #3 Assessment (\$8,070,000) levied on the Improvement Area #3 Assessed Property for the Improvement Area #3 Authorized Improvements; and
- At the time the City Council approved the 2022 Amended and Restated Service and Assessment Plan, HC Royse 548, LLC, a Texas limited liability company, and Waterscape Development, LLC, a Texas limited liability company (the “Improvement Area #3 Owners”) owned 100% of the Improvement Area #3 Assessed Property. The Improvement Area #3 Owners acknowledged that the Improvement Area #3 Improvements confer a special benefit on the Improvement Area #3 Assessed Property and consented to the imposition of the Improvement Area #3 Assessments to pay for the Actual Costs associated therewith. The Improvement Area #3 Owners ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, and the 2022 Assessment Ordinance levying the Improvement Area #3 Assessment; (2) the 2022 Amended and Restated Service and Assessment Plan and the 2022 Assessment Ordinance levying the Improvement Area #3 Assessment; and (3) the levying of the Improvement Area #3 Assessments on the Improvement Area #3 Assessed Property.
- *Improvement Area #4*
 - The costs of the Improvement Area #4 Authorized Improvements equal \$4,244,981 as shown on **Exhibit B**; and
 - The Improvement Area #4 Initial Parcel receives special benefit from the Improvement Area #4 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #4 Authorized Improvements; and
 - The Improvement Area #4 Initial Parcel is allocated 100% of the Improvement Area #4 Assessment. The Improvement Area #4 Assessment is levied on Improvement Area #4 Initial Parcel for the Improvement Area #4 Authorized Improvements, which equals \$3,270,000 as shown on the Improvement Area #4 Assessment Roll attached hereto as **Exhibit H-1**;

- The special benefit ($\geq \$4,244,981$) received by the Improvement Area #4 Initial Parcel from the Improvement Area #4 Authorized Improvements is equal to or greater than the amount of the Improvement Area #4 Assessment (\$3,270,000) levied on the Improvement Area #4 Initial Parcel for the Improvement Area #4 Authorized Improvements; and
- At the time the City Council approved this 2024 Amended and Restated Service and Assessment Plan, HC Royse 548, LLC, a Texas limited liability company, (the “Improvement Area #4 Owner”) owned 100% of the Improvement Area #4 Initial Parcel. The Improvement Area #4 Owner acknowledged that the Improvement Area #4 Authorized Improvements confer a special benefit on the Improvement Area #4 Initial Parcel and consented to the imposition of the Improvement Area #4 Assessments to pay for the Actual Costs associated therewith. The Improvement Area #4 Owner will ratify, confirm, accept, agree to, and approve: (1) the determinations and findings by the City Council as to the special benefits described herein, and the 2024 Assessment Ordinance levying the Improvement Area #4 Assessment; (2) this 2024 Amended and Restated Service and Assessment Plan and the 2024 Assessment Ordinance levying the Improvement Area #4 Assessment; and (3) the levying of the Improvement Area #4 Assessments on the Improvement Area #4 Initial Parcel.

D. Annual Collection Costs

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

E. Additional Interest

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

F. TIRZ No. 1 Annual Credit Amount

The City Council, in accordance with the Amended and Restated PID Reimbursement Agreement, has agreed to use a portion of TIRZ No. 1 Revenues generated (the “TIRZ No. 1 Annual Credit

Amount”) from each Assessed Property within the City’s corporate limits to offset a portion of such property’s Annual Installment of the Improvement Area #1 Assessment, Improvement Area #2 Assessment, Improvement Area #3 Assessment, or Improvement Area #4 Assessment, as applicable.

1. The Improvement Area #1 Annual Installment, Improvement Area #2 Annual Installment, Improvement Area #3 Annual Installment, or the Improvement Area #4 Annual Installment for an Assessed Property within the City’s corporate limits shall be reduced by the TIRZ No. 1 Annual Credit Amount equal to the TIRZ No. 1 Revenue generated by the Assessed Property, on a Lot-by-Lot basis for the previous Tax Year (i.e. TIRZ No. 1 Revenue collected from the Assessed Property for Tax Year 2024 shall be applied as the TIRZ No. 1 Annual Credit Amount applicable to such Assessed Property’s Improvement Area #1 Annual Installment, Improvement Area #2 Annual Installment, Improvement Area #3 Annual Installment, or the Improvement Area #4 Annual Installment, as applicable, to be collected in Tax Year 2025). In no event shall the TIRZ No. 1 Annual Credit Amount exceed the TIRZ No. 1 Maximum Annual Credit Amount shown in **Section V.F.2** as calculated on **Exhibit L** for each Lot of Assessed Property within Improvement Area #1, Improvement Area #2, Improvement Area #3, and Improvement Area #4.
2. The TIRZ No. 1 Maximum Annual Credit Amount for an Assessed Property within the City’s corporate limits is calculated for each Lot Type, as shown on **Exhibit L**. The TIRZ No. 1 Maximum Annual Credit Amount is calculated so that the Improvement Area #1 Annual Installment, Improvement Area #2 Annual Installment, Improvement Area #3 Annual Installment, or the Improvement Area #4 Annual Installment minus the TIRZ No. 1 Maximum Annual Credit Amount for each Lot Type produces a total equivalent tax rate for such Lot Type which does not exceed the equivalent ad valorem tax rate (\$3.04 per \$100 of assessed value) in 2019, taking into consideration the tax rates of all applicable overlapping taxing units and the equivalent tax rate of the Improvement Area #1 Annual Installment, Improvement Area #2 Annual Installment, Improvement Area #3 Annual Installment, or the Improvement Area #4 Annual Installment, as applicable, based on Estimated Buildout Values at the time the applicable Assessment Ordinance was approved (the 2019 Assessment Ordinance for Improvement Area #1 and Improvement Area #2, the 2022 Assessment Ordinance for Improvement Area #3, and the 2024 Assessment Ordinance for Improvement Area #4). The resulting TIRZ No. 1 Maximum Annual Credit Amount for each applicable Lot Type within the City’s corporate limits is shown below ³:

³ The TIRZ No. 1 Annual Credit Amount will only be applied to Parcels within Improvement Area #1 (Lot Type 1 and Lot Type 2) if that Parcel is annexed by the City.

i.	Lot Type 1:	\$214.25
ii.	Lot Type 2:	\$431.97
iii.	Lot Type 3:	\$797.17
iv.	Lot Type 4:	\$853.33
v.	Lot Type 5:	\$124.85
vi.	Lot Type 6:	\$125.57
vii.	Lot Type 7:	\$116.53
viii.	Lot Type 8:	\$186.77
ix.	Lot Type 9:	\$198.13

3. After the TIRZ No. 1 Annual Credit Amount is applied to provide a credit towards a portion of the Improvement Area #1 Annual Installment, Improvement Area #2 Annual Installment, Improvement Area #3 Annual Installment, or the Improvement Area #4 Annual Installment for the Assessed Property within the City's corporate limits, any excess TIRZ No. 1 Revenues available from the TIRZ No. 1 Fund shall be transferred from the TIRZ No. 1 Fund to the City, and shall not be available to offset the applicable Annual Installment related to such Lot.
4. For the term of the Improvement Area #2 Bonds, the Improvement Area #3 Bonds, and the Improvement Area #4 Bonds, the TIRZ No. 1 Maximum Annual Credit Amount may not be lowered even if the total equivalent tax rate on the Improvement Areas increases above or decreases below \$3.04 per \$100 of assessed value (inclusive of the equivalent tax rate of the Improvement Area #1 Annual Installment, Improvement Area #2 Annual Installment, Improvement Area #3 Annual Installment, or the Improvement Area #4 Annual Installment, as applicable, and all overlapping taxing jurisdictions) based on increases or decreases in the rates charged by taxing jurisdictions other than the City, including the school district and the County, for each Lot Type unless Assessments are lowered by a like amount.

SECTION VI: TERMS OF THE ASSESSMENTS

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

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

D = the sum of the Estimated Buildout Value for all 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 Owners, relying on information from homebuilders, market studies, appraisals, Official Public Records of the County, and any other relevant information regarding the Assessed Property. The calculation performed by the Administrator shall be approved by the City Council in the next Annual Service Plan Update, and such calculation as confirmed by the City Council shall be conclusive and binding. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, Lot Type 6, Lot Type 7, Lot Type 8, and Lot Type 9 are shown on **Exhibit K** and will not change in future Annual Service Plan Updates.

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-Benefitted Property

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

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator based on Estimated Buildout Value information provided by the Owners, homebuilders, third party consultants, and/or the Official Public Records of the County regarding the Lot, and such calculation shall be approved by the City Council in the next Annual Service Plan Update. The calculation as confirmed by the City Council shall be conclusive and binding. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, Lot Type 6, Lot Type 7, Lot Type 8, and Lot Type 9 are shown on **Exhibit K** and will not change in future Annual Service Plan Updates.

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 Parcel or Lot, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update immediately following such consolidation. The calculation as confirmed by the City Council shall be conclusive and binding. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of

Assessments pursuant to **Section VI.C.**

B. Mandatory Prepayment of Assessments

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

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

Prior to the City approving a final subdivision plat for Improvement Area #4, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type within Improvement Area #4 to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City or cause to be paid to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City’s approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

D. Reduction of Assessments

If the Actual Costs of completed Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds have not been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the City Council shall reduce each Assessment, and the TIRZ No. 1 Annual Credit Amount, on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event PID Bonds have been issued for the purpose of financing Authorized Improvements affected by such reduction in Actual Costs, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds as directed by the City pursuant to the terms of such Indenture. Such excess PID Bond proceeds may be used for any purpose authorized by such

Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

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

E. Prepayment of Assessments

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

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

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

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit E-2** shows the estimated Annual Installments for Improvement Area #1, **Exhibit F-2** shows the estimated Annual Installments for Improvement Area #2, **Exhibit G-2** shows the estimated Annual Installments for Improvement Area #3, **Exhibit H-2** shows the estimated Annual Installments for Improvement Area #4, and **Exhibit I-2** shows the estimated Annual Installments for the Major Improvement Area. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the property not including any Non-Benefitted Property or non-assessed property, as shown by Rockwall Central Appraisal District for each tax parcel identification number.

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

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

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

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year.

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

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

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

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

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

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

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

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

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

SECTION VII: ASSESSMENT ROLL

The list of current Lots within the District, the corresponding total Assessments, and current Annual Installment by Lot for Improvement Area #1, Improvement Area #2, Improvement Area #3, Improvement Area #4, and the Major Improvement Area are shown on the Assessment Rolls attached hereto as **Exhibit E-1**, **Exhibit F-1**, **Exhibit G-1**, **Exhibit H-1**, and **Exhibit I-1** respectively. The Lots shown on the Assessment Rolls will receive the bills for the 2024 Annual Installments which will be delinquent if not paid by January 31, 2025.

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

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

The Improvement Area #3 Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #3 Assessment Roll and Improvement Area #3 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #4 Assessment Roll is attached as **Exhibit H-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #4 Assessment Roll and Improvement Area #4 Annual Installments for each Parcel as part of each Annual Service Plan Update.

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

The total Annual Installment on the bottom of each Assessment Roll may not match the Total Annual Installment shown on the Service Plan due to rounding, or due to PID Bonds not yet redeemed for Prepayments received.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of any Assessed Property claims that an error has been made in any calculation required by this 2024 Amended and Restated Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of the year following City Council's 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 City Council and the owner not later than 30 days after receipt of such written notice of error. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this 2024 Amended and Restated Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this 2024 Amended and Restated Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this

2024 Amended and Restated Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this 2024 Amended and Restated Service and Assessment Plan.

C. Administration and Interpretation

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

D. Filing Requirements

Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed 2024 Assessment Ordinance approving this 2024 Amended and Restated Service and Assessment Plan. In addition, the City shall similarly file each Annual Service Plan Update approved by the City Council, with each such filing to occur within seven days of the date each respective Annual Service Plan Update is approved. All such documents shall be filed and recorded in their entirety.

E. Severability

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

SECTION IX: ADDITIONAL INFORMATION

PARCEL SUBDIVISION

Improvement Area #1

- The Final Plat for Waterscape – Phase 1 was approved by the City Council on April 10, 2018 consisting of 275 residential Lots and 5 Non-Benefited Lots and was recorded in the Official Public Records of Rockwall County on April 20, 2018. 177 units are classified as Lot Type 1, 98 units are classified as Lot Type 2.

Improvement Area #2

- The Final Plat for Waterscape – Phase 2A was approved by the City Council on November 19, 2019 consisting of 129 residential Lots and 8 Non-Benefited Lots and was recorded in the Official Public Records of Rockwall County on November 25, 2019. 57 units are classified as Lot Type 3, and 72 units are classified as Lot Type 4.
- The Final Plat for Waterscape – Phase 2B consisting of 225 residential Lots and 11 Non-Benefitted Lots, was recorded in the Official Public Records of Rockwall County on April 9, 2021. 161 Lots are classified as Lot Type 3, and 64 Lots are classified as Lot Type 4.

Improvement Area #3

- The Final Plat for Waterscape – Phase 3A, consisting of 325 residential Lots and 17 Non-Benefitted Lots, was recorded in the Official Public Records of Rockwall County on October 21, 2022. 81 Lots are classified as Lot Type 5, 127 Lots are classified as Lot Type 6, and 117 Lots are classified as Lot Type 7.

Improvement Area #4

No final plats have been filed for Improvement Area #4 of the District.

See **Appendix A** for Buyer Disclosures for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, Lot Type 6, Lot Type 7, Lot Type 8, and Lot Type 9.

LOT AND HOME SALES

Improvement Area #1

Improvement Area #1 has been platted and includes 275 Lots, further designated 177 Lot Type 1 Lots and 98 Lot Type 2 Lots. Per information provided by the Owner, as of February 29, 2024, the Owner has sold all but 5 Lots within Improvement Area #1 to homebuilders. History Maker Homes owns 1 finished home, Highland Homes owns 1 finished home and 1 Lot, Impression owns 1 finished home, and Tri Point Homes DFW owns 1 finished home. The remaining 265 have been completed and sold to end-users.

See **Appendix A-1** and **Appendix A-2** for Lot Type 1 and Lot Type 2 homebuyer disclosures.

Improvement Area #2

Improvement Area #2 has been platted and includes 354 Lots, further designated as 218 Lot Type 3 Lots and 136 Lot Type 4 Lots. Per information provided by the Owner, as of February 29, 2024, the Owner has sold 78 Type 4 Lots to Bloomfield, of which all 78 have been completed and sold to end-users. The Owner has sold 107 Type 3 Lots to Highland, of which all 107 have been completed and sold to end-users. The Owner has sold 106 Lot Type 3 Lots to History Maker, of which all 106 have been completed sold to end-users. The Owner has sold 58 Lot Type 4 Lots to Impression, of which all 58 have been completed sold to end-users. The Owner has sold 5 Lot Type 3 Lots to St. Vincent, of which all 5 have been completed and sold to end users.

See **Appendix A-3** and **Appendix A-4** for Lot Type 3 and Lot Type 4 homebuyer disclosures.

Improvement Area #3

Improvement Area #3 includes 325 Lots, further designated as 81 Lot Type 5 Lots, 127 Lot Type 6 Lots, and 117 Lot Type 7 Lots. Per the quarterly report dated March 31, 2024, as of February 29, 2024, the Owner has sold Highland Homes 83 Lots, 32 of which have been completed and sold to end-users. The Owner has sold History Maker 100 Lots, 44 of which have been completed and sold to end-users. The Owner has sold Impression 55 Lots, 38 of which have been completed and sold to end-users construction. The Owner has sold TriPointe 49 Lots, 8 of which have been completed and sold to end users. The Owner has sold St. Vincent Homes 7 Lots, 0 of which have been completed and sold to end users. All homes in Improvement Area #3 are expected to be completed by the fourth quarter of 2025.

See **Appendix A-5**, **Appendix A-6** and **Appendix A-7** for Lot Type 5, Lot Type 6 and Lot Type 7 homebuyer disclosures.

Improvement Area #4

Improvement Area #4 is anticipated to include 148 Lots, further designated as 58 planned Lot Type 8 Lots and 90 planned Lot Type 9 Lots. No Lots have been sold to homebuilders, construction has not started on any homes, and no homes have been sold to end-users.

See **Appendix A-8** and **Appendix A-9** for Lot Type 8 and Lot Type 9 homebuyer disclosures.

AUTHORIZED IMPROVEMENTS

Improvement Area #1

The Owner has completed Improvement Area #1 Authorized Improvements listed in this 2024 Amended and Restated Service and Assessment Plan and they were dedicated to the City on April 20, 2018.

Improvement Area #2

The Owner has completed Improvement Area #2 Authorized Improvements listed in this 2024 Amended and Restated Service and Assessment Plan. The Authorized Improvements benefiting Phase 2A were dedicated to the City on November 25, 2019. The Authorized Improvements benefiting Phase 2B were dedicated to the City on April 9, 2021.

Improvement Area #3

The Owner has completed Improvement Area #3 Authorized Improvements listed in this 2024 Amended and Restated Service and Assessment Plan and they were dedicated to the City on October 21, 2022.

Improvement Area #4

Per the Owner, the Authorized Improvements listed in this 2024 Amended and Restated Service and Assessment Plan for Improvement Area #4 are currently under construction and projected to be completed in May 2024. The budget for the Authorized Improvements remains unchanged, as shown on the table below.

Authorized Improvements	Original Budget	Spent to Date ^[a]	Remaining Estimated to be Spent	Over/(Under)
Improvement Area #4 Improvements				
Streets	\$ 1,504,099	\$ 1,284,290	\$ 219,809	\$ -
Water & Sanitary Sewer	1,211,556	1,219,031	-	7,475
Storm Drainage	170,609	160,603	10,006	-
Soft Costs	644,741	638,695	6,046	-
	\$ 3,531,005	\$ 3,302,619	\$ 235,861	\$ 7,475

Footnotes:

[a] Per information provided by the Owner.

Major Improvement Area

Per information provided by the Owner, the Authorized Improvements listed in this 2024 Amended and Restated Service and Assessment Plan for Major Improvement Area are fully completed except for landscaping improvements and associated soft costs which are projected to be completed in August 2024. The budget for the Authorized Improvements remains unchanged, as shown on the table below.

Authorized Improvements	Original Budget	Spent to Date ^[a]	Remaining Estimated to be Spent ^[a]	Over/(Under)
Major Improvements				
Streets & Storm Drainage ^[b]	\$ 1,787,614	\$ 2,440,742	\$ -	\$ 653,128
Water & Sanitary Sewer	1,953,609	1,602,099	-	(351,510)
Landscaping	2,080,000	1,495,352	145,000	(439,648)
Soft Costs	530,201	473,331	55,000	(1,870)
	\$ 6,351,424	\$ 6,011,524	\$ 200,000	\$ (139,900)

Footnotes:

[a] Per information provided by the Owner and to be confirmed with quarterly report as of 3/31/2024.

[b] Includes Crenshaw Road intersection improvements and Crenshaw Road ROW improvements.

OUTSTANDING ASSESSMENT

Improvement Area #1

Improvement Area #1 has a total outstanding Assessment of \$5,590,000, of which \$3,055,000 is securing Improvement Area #1 Initial Bonds, and \$2,535,000 is securing the Improvement Area #1 Additional Bonds.

Improvement Area #2

Improvement Area #2 has an outstanding Assessment of \$7,898,216.76. Note the outstanding Assessment is less than the outstanding \$7,945,000.00 in Improvement Area #2 Bonds due to Prepayment of Assessment for which Improvement Area #2 Bonds have not yet been redeemed.

Improvement Area #3

Improvement Area #3 has a total outstanding Assessment of \$7,871,000.

Improvement Area #4

Improvement Area #4 has a total outstanding Assessment of \$3,270,000.

Major Improvement Area

The Major Improvement Area has an outstanding Assessment of \$4,553,253.80. \$1,983,055.78 of the Major Improvement Area Assessment is attributable to Improvement Area #2, \$1,787,466.67 is attributable to Improvement Area #3, and \$782,731.35 is attributable to Improvement Area #4. Note the outstanding Assessment is less than the outstanding \$4,565,000.00 in Major Improvement Area Bonds due to Prepayment of Assessment for which Major Improvement Area Bonds have not yet been redeemed.

TIRZ ANNUAL CREDIT

Improvement Area #1

No Lots within Improvement Area #1 have petitioned for annexation into the City. Therefore, no Lots within Improvement Area #1 are eligible to receive a TIRZ Annual Credit.

Improvement Area #2

The TIRZ Annual Credit applicable to Improvement Area #2 for the Improvement Area #2 Annual Installment due 1/31/2025 is \$270,462.83. See **Exhibit F-1** for the Improvement Area #2 Assessment Roll which shows the TIRZ Annual Credit applicable to each Lot within Improvement Area #2.

Improvement Area #3

The TIRZ Annual Credit applicable to Improvement Area #3 for the Improvement Area #3 Annual Installment due 1/31/2025 is \$25,973.28. See **Exhibit G-1** for the Improvement Area #3 Assessment Roll which shows the TIRZ Annual Credit applicable to each Lot within Improvement Area #3.

Improvement Area #4

Improvement Area #4 has not yet been platted and is therefore not eligible to receive a TIRZ Annual Credit.

INSTALLMENT DUE 1/31/2025

Improvement Area #1

- **Improvement Area #1 Initial Bonds Principal and Interest** - The total principal and interest required for the Annual Installment for the Improvement Area #1 Initial Bonds is \$220,500.00.
- **Improvement Area #1 Initial Bonds Additional Interest** – The Delinquency and Prepayment Reserve Requirement, as defined in the Indenture for Improvement Area #1 Initial Bonds, is equal to \$175,450.00 and has not been met. As such, the Delinquency and Prepayment Reserve Account will be funded with Additional Interest on the Improvement Area #1 Initial Bonds outstanding Assessment, resulting in an Additional Interest amount due of \$15,275.00.
- **Improvement Area #1 Additional Bonds Principal and Interest** – The total principal and interest required for the Annual Installment for the Improvement Area #1 Additional Bonds is \$170,906.26.
- **Improvement Area #1 Additional Bonds Additional Interest** – The Delinquency and Prepayment Reserve Requirement, as defined in the Indenture for Improvement Area #1 Additional Bonds, is equal to \$145,475.00 and has not been met. As such, the Delinquency and Prepayment Reserve Account will be funded with Additional Interest on the Improvement Area #1 Additional Bonds outstanding Assessment, resulting in an Additional Interest amount due of \$12,675.00.
- **Improvement Area #1 Annual Collection Costs** - The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Annual Collection Costs allocated for the Improvement Area #1 Annual Installment is \$21,905.80.

Improvement Area #1	
Due January 31, 2025	
<i>Improvement Area #1 Initial Bonds</i>	
Principal	\$ 70,000.00
Interest	\$ 150,500.00
Additional Interest	\$ 15,275.00
	<hr/>
	\$ 235,775.00
<i>Improvement Area #1 Additional Bonds</i>	
Principal	\$ 60,000.00
Interest	\$ 110,906.26
Additional Interest	\$ 12,675.00
	<hr/>
	\$ 183,581.26
Annual Collection Costs	\$ 21,905.80
Total Annual Installment	\$ 441,262.06

Improvement Area #2

- **Improvement Area #2 Bonds Principal and Interest** - The total principal and interest required for the Annual Installment is \$538,331.26.
- **Improvement Area #2 TIRZ Annual Credit Amount** – the total TIRZ Annual Credit Amount applicable to the Improvement Area #2 Annual Installment is \$270,462.83.
- **Improvement Area #2 Bonds Additional Interest** – The Delinquency and Prepayment Reserve Requirement, as defined in the Indenture for Improvement Area #2 Bonds, is equal to \$454,850.00 and has not been met. As such, the Delinquency and Prepayment Reserve Account will be funded with Additional Interest on the Improvement Area #2 Bonds outstanding Assessment, resulting in an Additional Interest amount due of \$39,725.00.
- **Improvement Area #2 Bonds Annual Collection Costs** - The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Improvement Area #2 Bonds Annual Collection Costs allocated for the Annual Installment is \$29,828.72.

Improvement Area #2		
Due January 31, 2025		
<i>Improvement Area #2 Bonds</i>		
Principal	\$	170,000.00
Interest	\$	368,331.26
TIRZ Credit	\$	(270,462.83)
	\$	267,868.43
Additional Interest	\$	39,725.00
Annual Collection Costs	\$	29,828.72
Total Annual Installment	\$	337,422.15

Improvement Area #3

- **Improvement Area #3 Bonds** - The total principal and interest required for the Annual Installment is \$557,562.50.
- **Improvement Area #3 TIRZ Annual Credit Amount** – the total TIRZ Annual Credit Amount applicable to the Improvement Area #3 Annual Installment is \$25,973.28.
- **Improvement Area #3 Bonds Additional Interest** – The Additional Interest charged on the Assessments due is \$39,355.00.
- **Improvement Area #3 Bonds Annual Collection Costs** - The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Improvement Area #3 Bonds Annual Collection Costs allocated for the Annual Installment is \$29,405.27.

Improvement Area #3		
Due January 31, 2025		
<i>Improvement Area #3 Bonds</i>		
Principal	\$	116,000.00
Interest	\$	441,562.50
TIRZ Credit	\$	(25,973.28)
	\$	531,589.22
Additional Interest	\$	39,355.00
Annual Collection Costs	\$	29,405.27
Total Annual Installment	\$	600,349.49

Improvement Area #4

- **Improvement Area #4 Bonds** - The total principal and interest required for the Annual Installment is \$230,837.50.
- **Improvement Area #4 TIRZ Annual Credit Amount** – the total TIRZ Annual Credit Amount applicable to the Improvement Area #4 Annual Installment is \$0.00.
- **Improvement Area #4 Bonds Additional Interest** – The Additional Interest charged on the Assessments due is \$16,350.00.
- **Improvement Area #4 Bonds Annual Collection Costs** - The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Improvement Area #4 Bonds Annual Collection Costs allocated for the Annual Installment is \$30,600.00.

Improvement Area #4		
Due January 31, 2025		
<i>Improvement Area #4 Bonds</i>		
Principal	\$	43,000.00
Interest	\$	187,837.50
TIRZ Credit	\$	-
	\$	230,837.50
Additional Interest	\$	16,350.00
Annual Collection Costs	\$	30,600.00
Total Annual Installment	\$	277,787.50

Major Improvement Area

- **Major Improvement Area Bonds Principal and Interest** - The total principal and interest required for the Annual Installment is \$337,512.50.
- **Major Improvement Area Bonds Additional Interest** – The Delinquency and Prepayment Reserve Requirement, as defined in the Indenture for the Major Improvement Area Bonds, is equal to \$269,225.00 and has not been met. As such, the Delinquency and Prepayment Reserve Account will be funded with Additional Interest on the Major Improvement Area Bonds outstanding Assessment, resulting in an Additional Interest amount of \$22,825.00.
- **Major Improvement Area Bonds Annual Collection Costs** - The cost of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The total Major Improvement Area Bonds Annual Collection Costs allocated for the Annual Installment is \$18,415.76.

Major Improvement Area		
Due January 31, 2025		
<i>Major Improvement Area Bonds</i>		
Principal	\$	100,000.00
Interest	\$	237,512.50
Additional Interest	\$	22,825.00
Annual Collection Costs	\$	18,415.76
Total Annual Installment	\$	378,753.26

See **Exhibit N-1, Exhibit N-2, Exhibit N-3, Exhibit N-4, Exhibit N-5, and Exhibit N-6** for the debt service schedule for Improvement Area #1 Initial Bonds, Major Improvement Area Bonds, the

Improvement Area #1 Additional Bonds, the Improvement Area #2 Bonds, the Improvement Area #3 Bonds, and the Improvement Area #4 Bonds, respectively.

See below for a table showing the different components of the total Annual Collection Costs.

Annual Collection Costs						
	Major Improvement Area	Improvement Area #1	Improvement Area #2	Improvement Area #3	Improvement Area #4	
P3Works Administration	\$ 14,364.10	\$ 17,616.06	\$ 24,998.47	\$ 24,603.92	\$ -	
City Auditor	\$ 440.17	\$ 539.82	\$ 766.05	\$ 753.96	\$ -	
Filing Fees	\$ 176.07	\$ 215.93	\$ 306.42	\$ 301.58	\$ -	
County Collection	\$ 259.35	\$ 318.06	\$ 451.36	\$ 444.23	\$ -	
Misc.	\$ 176.07	\$ 215.93	\$ 306.42	\$ 301.58	\$ -	
PID Trustee Fees	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ -	
Dissemination Agent	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ -	
Draw Request Review	\$ -	\$ -	\$ -	\$ -	\$ -	
Initial Annual Collection Costs	\$ -	\$ -	\$ -	\$ -	\$ 30,600.00	
Total	\$ 18,415.76	\$ 21,905.80	\$ 29,828.72	\$ 29,405.27	\$ 30,600.00	

PREPAYMENT OF ASSESSMENTS IN FULL

Improvement Area #1

There have been no full Prepayments of Assessments in Improvement Area #1.

Improvement Area #2

The following Lots in Improvement Area #2 have made a full Prepayment of their Assessment.

Property ID	Property Address	Lot Type	Date of Prepayment
105508	5520 Huffines Blvd	4	11/29/2021
102417	3106 Little River Lane	4	10/24/2022

Improvement Area #3

There have been no full Prepayments of Assessments in Improvement Area #3.

Improvement Area #4

There have been no full Prepayments of Assessments in Improvement Area #4.

Major Improvement Area

The following Lots in the Major Improvement Area have made a full Prepayment of their Assessment.

Property ID	Property Address	Lot Type	Date of Prepayment
105508	5520 Huffines Blvd	4	11/29/2021
102417	3106 Little River Lane	4	10/24/2022

See **Exhibit M** for a form of Notice of PID Assessment Termination.

PARTIAL PREPAYMENTS OF ASSESSMENTS

Improvement Area #1

There have been no partial prepayments of Assessments in Improvement Area #1.

Improvement Area #2

There have been no partial prepayments of Assessments in Improvement Area #2.

Improvement Area #3

There have been no partial prepayments of Assessments in Improvement Area #3.

Improvement Area #4

There have been no partial prepayments of Assessments in Improvement Area #4.

Major Improvement Area

There have been no partial prepayments of Assessments in the Major Improvement Area.

EXTRAORDINARY OPTIONAL REDEMPTIONS

\$140,000 of the Major Improvement Area Bonds was redeemed on September 15, 2022 due to the Mandatory Prepayment.

EXHIBITS

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

Exhibit A-1	Map of the District
Exhibit A-2	Map of Improvement Area #1 and Phase 1 Final Recorded Plat
Exhibit A-3	Map of Improvement Area #2 and Phase 2A and 2B Final Recorded Plats
Exhibit A-4	Map of Improvement Area #3 and Phase 3A Final Recorded Plat
Exhibit A-5	Map of Improvement Area #4
Exhibit A-6	Map of Major Improvement Area
Exhibit A-7	Improvement Area #4 Lot Type Classification Map
Exhibit B	Project Costs
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E-1	Improvement Area #1 Assessment Roll
Exhibit E-2	Improvement Area #1 Annual Installments
Exhibit F-1	Improvement Area #2 Assessment Roll
Exhibit F-2	Improvement Area #2 Annual Installments
Exhibit G-1	Improvement Area #3 Assessment Roll
Exhibit G-2	Improvement Area #3 Annual Installments
Exhibit H-1	Improvement Area #4 Assessment Roll
Exhibit H-2	Improvement Area #4 Annual Installments
Exhibit I-1	Major Improvement Area Assessment Roll
Exhibit I-2	Major Improvement Area Annual Installments
Exhibit J-1	Maps of Improvement Area #1 Improvements
Exhibit J-2	Maps of Improvement Area #2 Improvements
Exhibit J-3	Maps of Improvement Area #3 Improvements
Exhibit J-4	Maps of Improvement Area #4 Improvements
Exhibit J-5	Maps of Major Improvements
Exhibit K	Maximum Assessment and Tax Rate Equivalent
Exhibit L	Maximum TIRZ No. 1 Annual Credit Amount by Lot Type
Exhibit M	Form of Notice of PID Assessment Termination
Exhibit N-1	Debt Service Schedule for Improvement Area #1 Initial Bonds
Exhibit N-2	Debt Service Schedule for Major Improvement Area Bonds
Exhibit N-3	Debt Service Schedule for Improvement Area #1 Additional Bonds
Exhibit N-4	Debt Service Schedule for Improvement Area #2 Bonds
Exhibit N-5	Debt Service Schedule for Improvement Area #3 Bonds

- Exhibit N-6** Debt Service Schedule for Improvement Area #4 Bonds
Exhibit O-1 Improvement Area #4 Legal Description

APPENDICES

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

Appendix A-1	Buyer Disclosure for Lot Type 1
Appendix A-2	Buyer Disclosure for Lot Type 2
Appendix A-3	Buyer Disclosure for Lot Type 3
Appendix A-4	Buyer Disclosure for Lot Type 4
Appendix A-5	Buyer Disclosure for Lot Type 5
Appendix A-6	Buyer Disclosure for Lot Type 6
Appendix A-7	Buyer Disclosure for Lot Type 7
Appendix A-8	Buyer Disclosure for Lot Type 8
Appendix A-9	Buyer Disclosure for Lot Type 9
Appendix A-10	Buyer Disclosure for Improvement Area #4 Initial Parcel

EXHIBIT A-1 – MAP OF DISTRICT

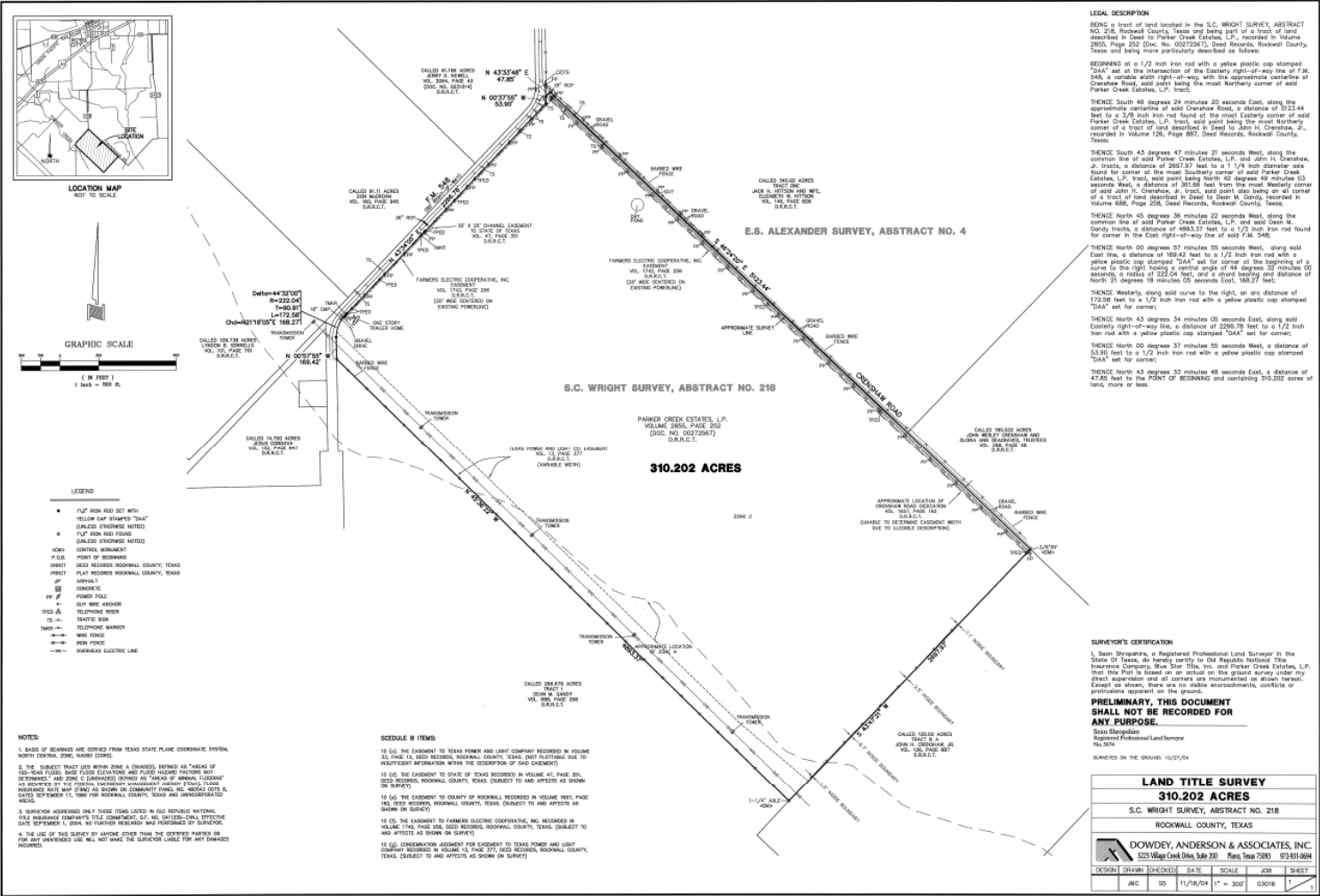
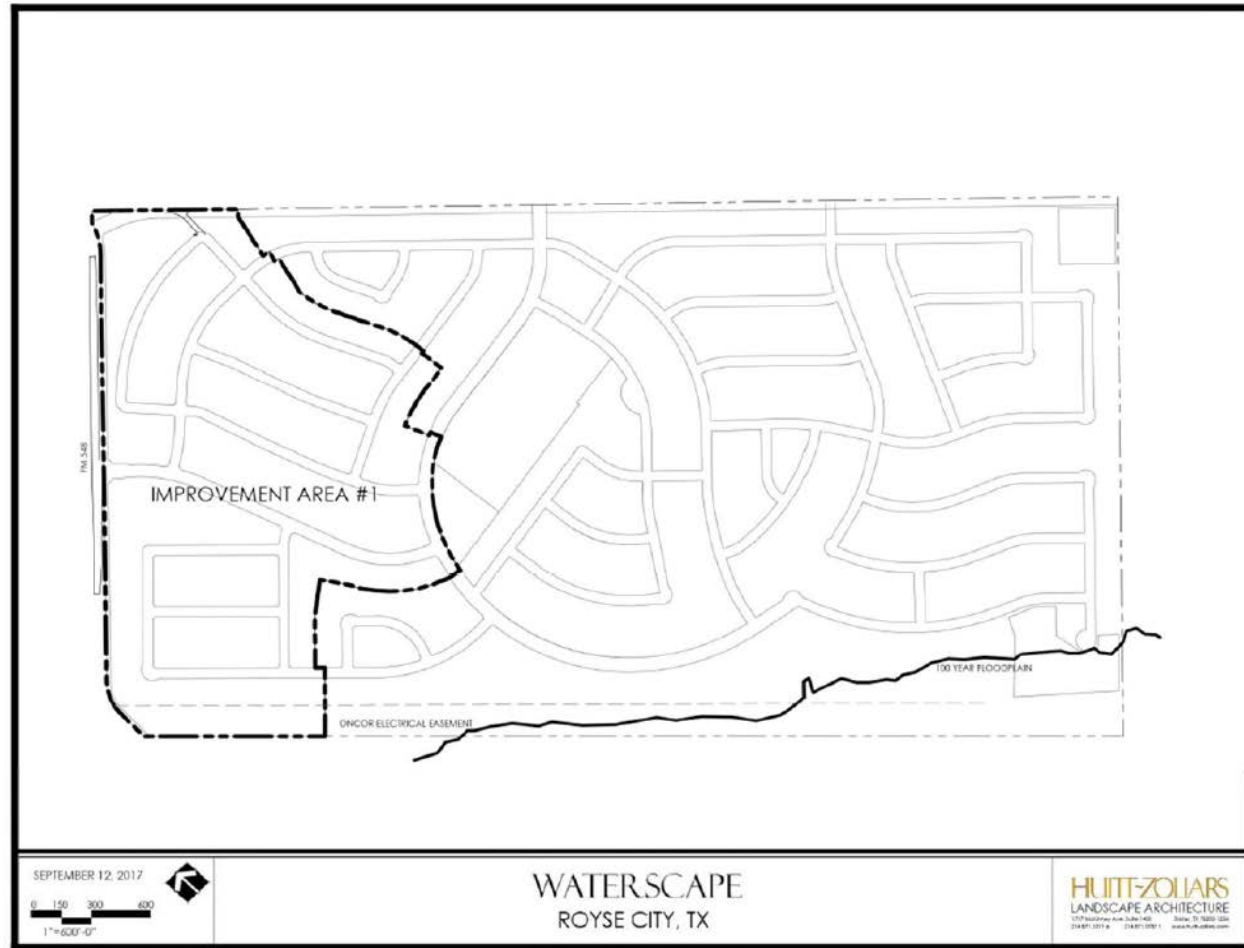
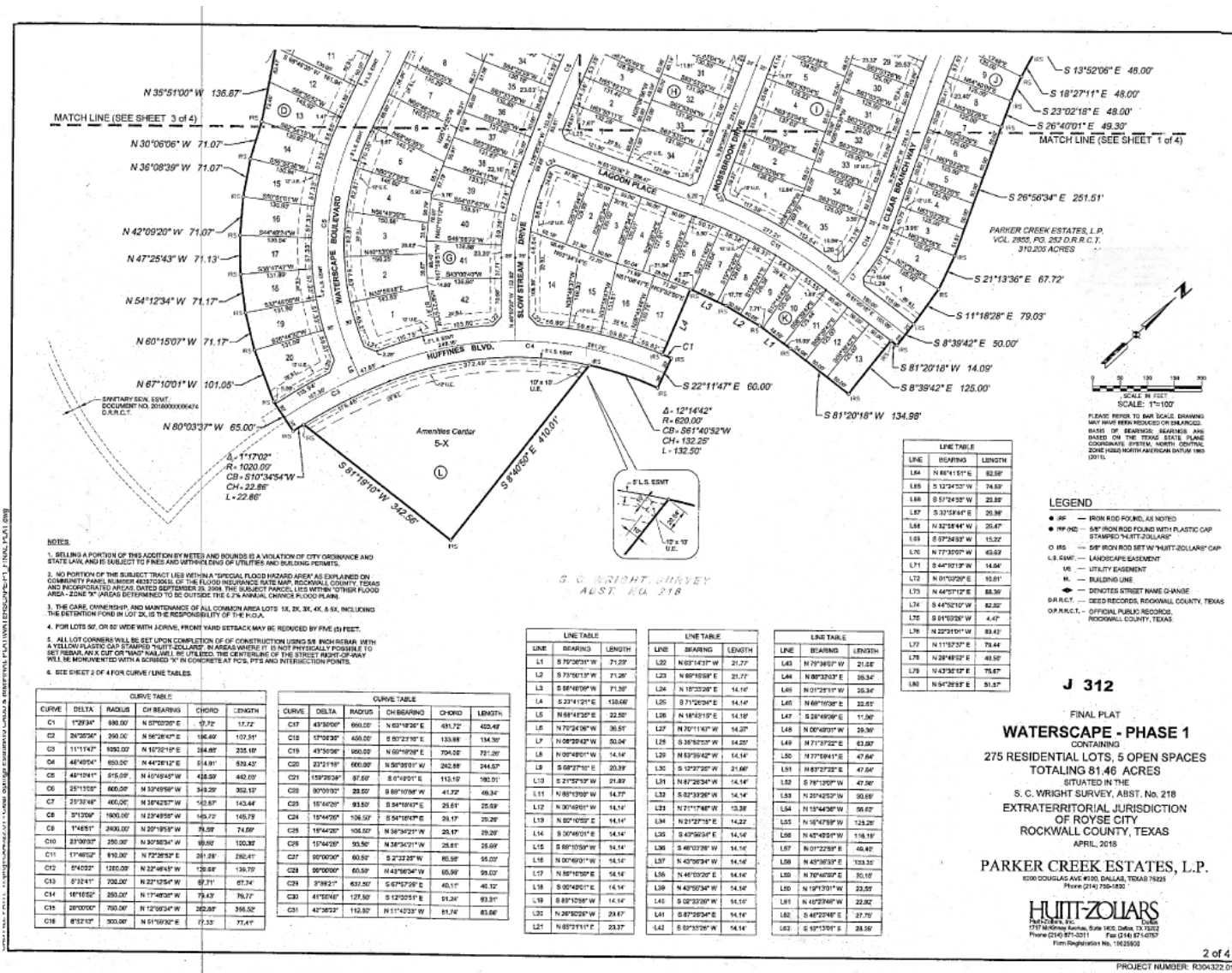


EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1 AND PHASE 1 FINAL RECORDED PLAT



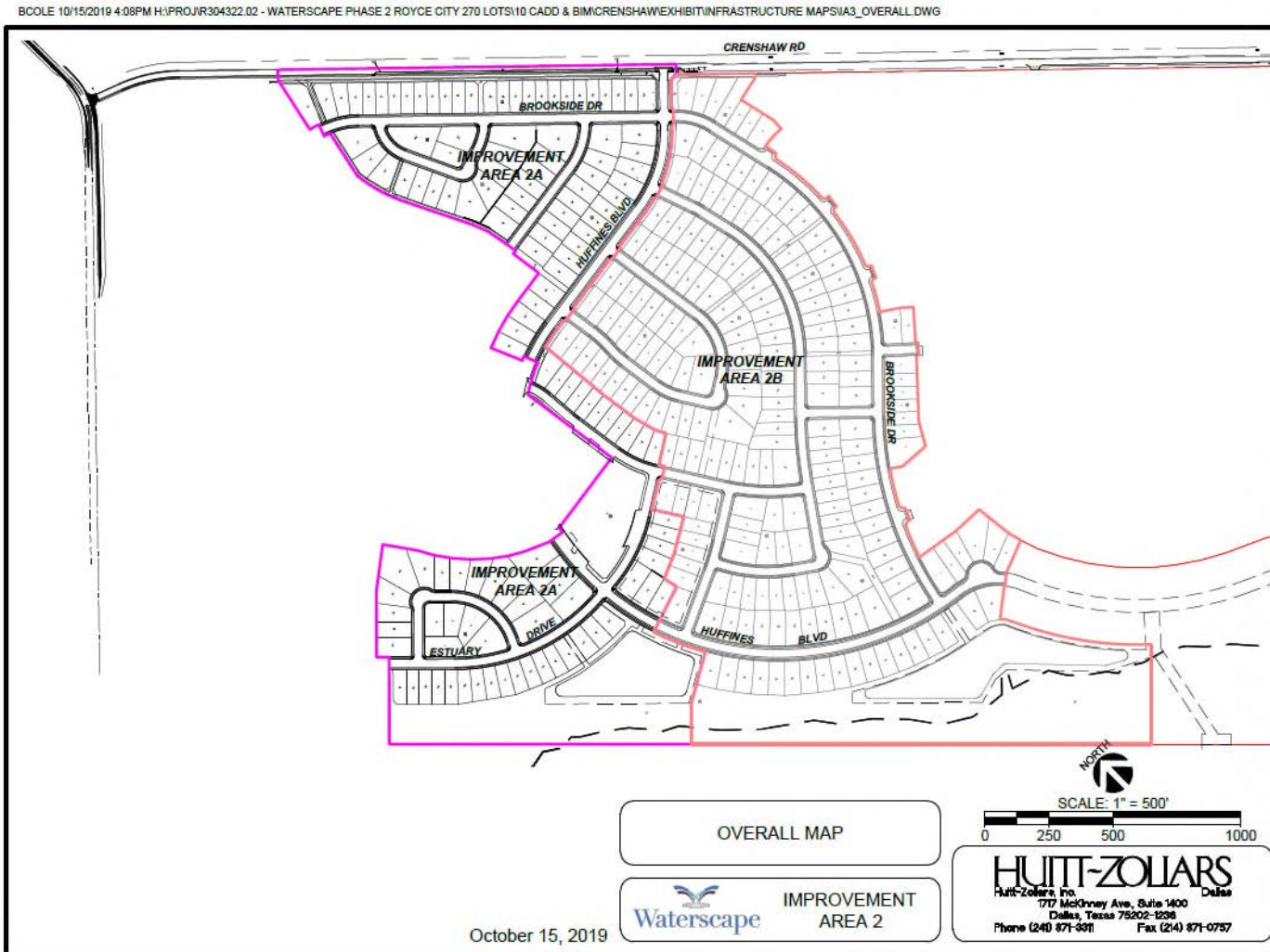




**WATERSCAPE PUBLIC IMPROVEMENT DISTRICT
2024 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN**



EXHIBIT A-3– MAP OF IMPROVEMENT AREA #2 AND PHASE 2A AND PHASE 2B FINAL RECORDED PLATS



NOTES:

1. SELLING A PORTION OF THIS ADDITION BY METES AND BOUNDS IS A VIOLATION OF CITY ORDINANCE AND STATE LAW AND IS SUBJECT TO FINES AND WITHHOLDING OF UTILITIES
2. NO PORTION OF THE SUBJECT TRACT LIES WITHIN A "SPECIAL FLOOD HAZARD AREA" AS EXPLAINED ON COMMUNITY PLAN, NUMBER 480000000, OF THE FLOOD INSURANCE RATE MAP, DATED JANUARY 1, 2006, AND THE FLOOD INSURANCE RATE MAP DATED JANUARY 1, 2008. THE SUBJECT PARCELS LIES WITHIN ZONE "A" - "BASE FLOOD ELEVATIONS DETERMINED AND SHOWN ON THE FLOOD INSURANCE RATE MAP ARE NOT APPLICABLE TO THIS ZONE." (FLOOD INSURANCE RATE MAP - ZONE "A" AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOOD PLAIN).
3. THE CARE, OWNERSHIP, AND MAINTENANCE OF ALL COMMON AREA LOTS 1, 3-X, 3-X, 5-X, 6-X, 7-X, 8-X, 9-X IS THE RESPONSIBILITY OF THE HOME OWNERS ASSOCIATION.
4. FOR LOTS 50, OR 92 W/DE W/ CURVE, FRONT YARD SETBACK MAY BE REDUCED BY THE FOLLOWING:
5. ALL LOT CORNERS WILL BE SET UP COMPLETION OF CONSTRUCTION USING 5/8 INCH REBAR, WITH A YELLOW PLASTIC CAP STAMPED "HUTT ZONING" IN AREAS WHERE THE REBAR IS PLACED. PROSPECTIVE BUYERS OF "HUTT" MAIL MAY BE UTILIZED THE CENTERLINE OF THE STREET RIGHT-OF-WAY WILL BE MONUMENTED WITH A SCRIBED "X" IN CONCRETE AT PCS, PTS AND INTERSECTION POINTS.

THE FIELD SURVEY FOR PREPARATION OF THE PLAT WAS DONE ON APRIL 4, 2017.

(DETAIL 'C')				
CURVE TABLE				
CURVE	DELTA	RADIUS	CH. BEARING	CHORD
C24	1°12'29"	1100.00'	S 10°03'43" E	23.19'
C25	7°48'57"	1100.00'	S 20°36'56" E	149.04'
C26	4°12'23"	1100.00'	S 27°45'11" E	63.99'

(DETAIL 'C')		
LINE TABLE		
LINE	BEARING	LENGTH
L50	N 44°10'59" E	59.86
L51	S 70°48'32" E	96.87
L52	S 73°32'52" E	57.86
L53	S 77°59'44" E	81.25
L54	N 08°18'42" E	26.02
L55	S 08°18'42" W	26.02
L60	S 63°08'40" E	68.78
L57	S 67°15'07" E	68.66
L58	N 88°27'39" E	86.33
L59	N 74°20'03" E	20.00
L60	S 74°20'03" W	20.00
L61	N 64°33'07" E	20.00
L62	N 64°33'07" W	20.00

FINAL PLAT

WATERSCAPE - PHASE 2A

129 RESIDENTIAL LOTS
7 OPEN SPACES & 1 PARK
TOTALING 46.79 ACRES

SITUATED IN THE
S. C. WRIGHT SURVEY, ABST. No. 218

ROYSE CITY
ROCKWALL COUNTY, TEXAS

WATERSCAPE DEVELOPMENT, LLC

8200 DOUGLAS AVE #100 DALLAS, TEXAS 75229
Phone (214) 750-1803

HUETT-ZOLLARS
11401 ZOLLARS, P.C.
1717 McDermott Avenue, Suite 1403, Dallas, TX 75208
Phone (214) 871-3111 Fax (214) 871-6737
E-mail: Registration@h-z.com

3/5

USER: h:\projects\2024\Waterscape Phase 2\Drawings\DWG\WATERSCAPE-PHASE 2A\WATERSCAPE-PHASE 2A_FINAL_PLOT.dwg
DATE: NOV 20 2025 10:59 AM USER: JEFFREY PHILLIPS PROJECT: WATERSCAPE-P2 EXISTING WATERSCAPE-P2 BASE

OWNER'S CERTIFICATE
STATE OF TEXAS
COUNTY OF ROCKWALL

BEING a tract of land situated in the S.C. Wright Survey, Abstract No. 218, Rockwall County, Texas, and being a portion of that certain tract of land described in instrument to Waterscape Development, LLC, as recorded under instrument number 2018000001219 of the Official Public Records of Rockwall County, Texas (S.P.R.R.C.T.), and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod found with plastic cap stamped "Huitt-Zollars" at the northeast corner of Waterscape - Phase 2A, an addition to Royse City, Texas as recorded in Cabinet J, Side 311 of the Plat Records of Rockwall County, Texas, said point being in Greenhale Road (undefined width) and on the northeast line of said Parker Creek Estates Tract, County, Texas;

THENCE South 45 degrees 24 minutes 19 seconds East (Record: South 44 degrees 12 minutes 25 seconds East), along the northeast line of said Waterscape Development tract and generally along said Greenhale Road a distance 1,556.70 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE departing said northeast line Waterscape Development tract and continuing over and across said tract the following courses:

South 43 degrees 35 minutes 41 seconds West a distance of 40.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 89 degrees 35 minutes 41 seconds West a distance of 28.26 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 43 degrees 35 minutes 41 seconds West a distance of 110.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 01 degrees 24 minutes 19 seconds East a distance of 7.78 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 43 degrees 35 minutes 41 seconds West a distance of 58.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 88 degrees 35 minutes 41 seconds West a distance of 7.78 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 43 degrees 35 minutes 41 seconds West a distance of 15.85 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" and being the beginning of a largest curve to the right having a central angle of 22 degrees 48 minutes 18 seconds, a radius of 530.00 feet and being subtended by a 200.25 foot chord which bears South 54 degrees 08 minutes 49 seconds West;

Continuing along said curve to the right an arc distance of 210.54 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" at the end of said curve;

South 23 degrees 31 minutes 42 seconds West a distance of 7.54 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 79 degrees 09 minutes 02 seconds West a distance of 58.82 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 63 degrees 13 minutes 38 seconds West a distance of 7.54 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" and being the beginning of a non-tangent curve to the right having a central angle of 67 degrees 24 minutes 11 seconds, a radius of 630.00 feet and being subtended by a 98.43 foot chord which bears South 77 degrees 26 minutes 12 seconds West;

Continuing along said curve to the right an arc distance of 68.48 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" at the end of said curve;

South 81 degrees 20 minutes 18 seconds West a distance of 159.96 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 36 degrees 20 minutes 18 seconds West a distance of 7.78 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 81 degrees 20 minutes 18 seconds West a distance of 56.85 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 53 degrees 39 minutes 42 seconds West a distance of 7.78 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 81 degrees 20 minutes 18 seconds West a distance of 231.07 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 36 degrees 20 minutes 18 seconds West a distance of 7.78 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 81 degrees 20 minutes 18 seconds West a distance of 58.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 53 degrees 39 minutes 42 seconds West a distance of 7.78 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 81 degrees 20 minutes 18 seconds West a distance of 63.02 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" and being the beginning of a tangent curve to the left having a central angle of 67 degrees 34 minutes 11 seconds, a radius of 620.00 feet and being subtended by a 81.85 foot chord which bears South 77 degrees 33 minutes 12 seconds West;

Continuing along said curve to the left an arc distance of 81.81 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" at the end of said curve;

South 15 degrees 13 minutes 53 seconds East a distance of 15.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 05 degrees 00 minutes 52 seconds East a distance of 278.54 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 08 degrees 40 minutes 50 seconds East a distance of 150.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 15 degrees 30 minutes 44 seconds East a distance of 90.20 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 28 degrees 14 minutes 59 seconds East a distance of 46.31 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 57 degrees 13 minutes 00 seconds West a distance of 127.00 feet to a 5/8 inch iron rod set with plastic cap

stamped "Huitt-Zollars";

South 33 degrees 47 minutes 00 seconds East a distance of 23.61 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 57 degrees 13 minutes 00 seconds West a distance of 50.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 77 degrees 47 minutes 00 seconds West a distance of 14.85 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 57 degrees 13 minutes 00 seconds West a distance of 114.50 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 32 degrees 47 minutes 00 seconds East a distance of 127.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 58 degrees 48 minutes 01 seconds West a distance of 149.40 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 68 degrees 32 minutes 32 seconds West a distance of 104.93 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 12 degrees 21 minutes 48 seconds East a distance of 58.04 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 70 degrees 58 minutes 39 seconds West a distance of 168.50 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" and being the beginning of a non-tangent curve to the left having a central angle of 13 degrees 27 minutes 22 seconds, a radius of 1,080.00 feet and being subtended by a 215.58 foot chord which bears South 24 degrees 44 minutes 02 seconds East;

Continuing along said curve to the left an arc distance of 215.94 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" at the end of said curve;

South 58 degrees 32 minutes 17 seconds West a distance of 209.53 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 44 degrees 23 minutes 25 seconds West a distance of 158.06 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" on the southwest line of said Waterscape Development tract;

THENCE North 45 degrees 36 minutes 34 seconds West (Record: North 44 degrees 24 minutes 00 seconds West) along the southwest line of said Waterscape Development tract, a distance of 1,173.69 feet to a 5/8 inch iron rod found with plastic cap stamped "Huitt-Zollars" at the southwest corner of said Waterscape Subdivision;

THENCE departing the southwest line of said Waterscape Development and continuing along the southerly and easterly line of said Waterscape Subdivision the following courses:

North 44 degrees 10 minutes 10 seconds East a distance of 340.30 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 45 degrees 49 minutes 01 second West a distance of 48.06 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 44 degrees 10 minutes 09 seconds East a distance of 257.76 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 52 degrees 05 minutes 07 seconds East a distance of 184.87 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

South 35 degrees 51 minutes 00 seconds East a distance of 136.87 feet to a "MAG" nail found in wall;

South 30 degrees 06 minutes 06 seconds East a distance of 71.07 feet to a "MAG" nail found in wall;

South 36 degrees 08 minutes 30 seconds East a distance of 71.07 feet to a "MAG" nail found in wall;

South 47 degrees 00 minutes 20 seconds East a distance of 71.07 feet to a "MAG" nail found in wall;

South 47 degrees 28 minutes 43 seconds East a distance of 71.13 feet to a "MAG" nail found in wall;

South 54 degrees 12 minutes 34 seconds East a distance of 71.17 feet to a "MAG" nail found in wall;

South 60 degrees 15 minutes 07 seconds East a distance of 71.17 feet to a "MAG" nail found in wall;

South 67 degrees 10 minutes 01 second East a distance of 101.05 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

South 80 degrees 03 minutes 37 seconds East a distance of 65.00 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars" at the beginning of a curve to the right having a central angle of 1 degree 17 minutes 02 seconds, a radius of 1,020.00 feet and being subtended by a 22.85 foot chord which bears North 10 degrees 34 minutes 54 seconds East;

Continuing along said curve to the right an arc distance of 22.86 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars" at the end of said curve;

North 81 degrees 18 minutes 10 seconds East a distance of 342.20 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars" at the southeast corner of Lot 6-X, Block 1, of said Waterscape Subdivision - Phase 1;

North 8 degrees 40 minutes 50 seconds West a distance of 410.01 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars" at the beginning of a non-tangent curve to the right having a central angle of 12 degrees 14 minutes 42 seconds, a radius of 620.00 feet and being subtended by a 132.25 foot chord which bears North 01 degrees 48 minutes 02 seconds East;

Continuing along said curve to the right an arc distance of 132.50 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars" at the end of said curve;

North 22 degrees 11 minutes 47 seconds West a distance of 80.00 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars" at the beginning of a non-tangent curve to the left having a central angle of 1 degrees 26 minutes 34 seconds, a radius of 600.00 feet and being subtended by a 17.72 foot chord which bears South 67 degrees 00 minutes 26 seconds West;

Continuing along said curve to the left an arc distance of 17.72 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars" at the end of said curve;

North 23 degrees 47 minutes 21 seconds West a distance of 130.00 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 08 degrees 40 minutes 00 seconds East a distance of 71.35 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 73 degrees 50 minutes 13 seconds East a distance of 71.26 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 79 degrees 38 minutes 31 seconds East a distance of 71.23 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 81 degrees 20 minutes 18 seconds East a distance of 134.96 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 8 degrees 30 minutes 42 seconds West a distance of 125.00 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 81 degrees 20 minutes 18 seconds East a distance of 14.09 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 8 degrees 39 minutes 42 seconds West a distance of 50.00 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 11 degrees 18 minutes 28 seconds West a distance of 79.03 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 21 degrees 13 minutes 36 seconds West a distance of 67.72 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 26 degrees 56 minutes 34 seconds West a distance of 261.01 feet to a "MAG" nail found in wall;

North 28 degrees 40 minutes 01 second West a distance of 48.30 feet to a "MAG" nail found in wall;

North 23 degrees 02 minutes 18 seconds West a distance of 48.00 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 18 degrees 27 minutes 11 seconds West a distance of 48.00 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 13 degrees 02 minutes 06 seconds West a distance of 48.00 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 9 degrees 17 minutes 01 second West a distance of 47.99 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars";

North 11 degrees 48 minutes 18 seconds East a distance of 186.86 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars" at the beginning of a non-tangent curve to the left having a central angle of 3 degrees 20 minutes 31 seconds, a radius of 425.00 feet and being subtended by a 24.79 foot chord which bears North 70 degrees 08 minutes 42 seconds West;

Continuing along said curve to the left an arc distance of 24.79 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars" at the end of said curve;

North 18 degrees 10 minutes 02 seconds East a distance of 50.00 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars" at the beginning of a curve to the left having a central angle of 4 degrees 43 minutes 25 seconds, a radius of 475.00 feet and being subtended by a 38.15 foot chord which bears North 74 degrees 11 minutes 40 seconds West;

Continuing along said curve to the left an arc distance of 38.16 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars" at the end of said curve;

North 11 degrees 34 minutes 06 seconds East a distance of 225.95 feet to a 5/8 iron rod found with plastic cap stamped "Huitt-Zollars" on the west right-of-way line of Greenhale Road (variable width dedication as shown on Final Plat of said Waterscape Subdivision);

North 43 degrees 30 minutes 41 seconds East a distance of 40.00 feet to the POINT OF BEGINNING AND CONTAINING 46.79 acres of land, more or less.

FINAL PLAT
WATERSCAPE - PHASE 2A
129 RESIDENTIAL LOTS
7 OPEN SPACES & 1 PARK
TOTALING 46.79 ACRES

SITUATED IN THE
S. C. WRIGHT SURVEY, ABST. No. 218
ROYSE CITY
ROCKWALL COUNTY, TEXAS

WATERSCAPE DEVELOPMENT, LLC

8206 DOUGLAS AVE. #500, DALLAS, TEXAS 75225
Phone (214) 750-1800

HUITT-ZOLLARS
1717 McKinney Avenue, Suite 1400, Dallas, TX 75202
Phone (214) 871-3311 Fax (214) 871-0757
Firm Registration No. 10225680

NOVEMBER, 2010



PROJECT NUMBER: R304322.02

**WATERSCAPE PUBLIC IMPROVEMENT DISTRICT
2024 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN**

DATE: Nov 20, 2019 2:00pm KEEFS PH3A_FP-BORDER WATERSCAPE-P2_EXISTING WATERSCAPE-P2_BASE

STATE OF TEXAS
COUNTY OF ROCKWALL

KNOW ALL MEN BY THESE PRESENTS:

I (we) the undersigned owner(s) of the land shown on this plat, and designated herein as the Waterscape - Phase 2A in the City of Royse City, Texas, and whose name is subscribed hereto, hereby dedicate to the use of the public forever all streets, alleys, parks, water courses, drains, easements and public places thereon shown on the purpose and consideration therein expressed I (we) further certify that all other parties who have a mortgage or lien interest in the Waterscape Subdivision have been notified and signed this plat.

I (we) further acknowledge that the dedications and/or exactions made herein are proportional to the impact of the subdivision upon the public services required in order that the development will comport with the present and future growth needs of the City; I (we), my (our) successors and assigns hereby waive any claim, damage, or cause of action that I (we) may have as a result of the dedication of exactions made herein.

I (we) further certify that development will comply with all City of Royse City requirements and all proposed improvements shall conform to or exceed the standards for such improvements, as prescribed by the city.

I (we) further certify that all applicable city taxes and fees have been paid.

I (we) further acknowledge that:

- No house, dwelling unit or other structure shall be constructed on any lot in this addition by the owner or any other person until:
- Such time as the developer and/or owner has complied with all requirements of the Platting Ordinance of the City of Royse City regarding improvements with respect to the entire block on the street and/or streets on which the property abuts (a corner lot shall be regarded as abutting on both intersection streets adjacent to such lot) including the actual installation of streets, water sewer, drainage structures, and storm sewer and alleys, all according to the specifications of the City of Royse City; or
 - Until the escrow deposit, sufficient to pay for the cost of such improvements, as determined by the city's engineer and/or city administrator, computed on a private commercial rate basis, has been made with the city secretary, accompanied by an agreement signed by the developer and/or owner, authorizing the city to make such improvements at prevailing private commercial rates, or have the same made by a contractor and pay for the same out of the escrow deposit, should the developer and/or owner fail or refuse to install the required improvements within the time stated in such written agreement, but in no case the city be obligated to make such improvements itself. Such deposit may be used by the owner and/or developer as progress payments as the work progresses in making such improvements by making certified requisitions to the city secretary, supported by evidence of work done; or
 - Until the developer and/or owner files a corporate surety bond with the city secretary in a sum equal to the cost of such improvements for the designated area, guaranteeing the installation thereof within the time stated in the bond, which time shall be fixed by the city council of the City of Royse City.
- These restrictions with respect to required improvements are made to ensure the installation of such required improvements and to give notice to each owner and to each prospective owner of lots in the subdivision until said required improvements are actually made or provided for on the entire block on the street and/or streets on which the property abuts as described herein and in compliance with the City of Royse City specifications.

Waterscape Development, LLC, a Texas limited liability corporation

By: HC Operating, L.P., its general partner

By: HC Operating LLC, its general partner

By:

Donald Huffines, Managing Director
or
Phillip Huffines, Managing Director

STATE OF TEXAS
COUNTY OF ROCKWALL

Before me, the undersigned authority, on this day personally appeared Donald Huffines, 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 purpose and consideration therein stated.

Given upon my hand and seal of office this 20th day of November, 2019.

Kevin A. Bigham
Notary Public and for the State of Texas

My Commission Expires: 12/05/20



STATE OF TEXAS
COUNTY OF DALLAS

KNOW ALL MEN BY THESE PRESENTS:

THAT I, Mitchell S. Pillar, do hereby certify that I prepared this plat from an actual and accurate survey of the land in the month of November, 2019, and that the corner monuments shown thereon were properly placed under my personal supervision, in accordance with the subdivision regulations of the City of Royse City, Texas.

Mitchell S. Pillar
Mitchell S. Pillar, Registered Professional Land Surveyor
Texas Registration No. 5491
HUNT-ZOLLARS, Inc.
Firm Registration No. 10025600



STATE OF TEXAS
COUNTY OF DALLAS

Before me, the undersigned authority, on this day personally appeared Mitchell S. Pillar, 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 purpose and consideration therein stated.

Given upon my hand and seal of office this 20th day of November, 2019.

Kelsey A. Bagemaker
Notary Public and for the State of Texas

My Commission Expires: 5/15/21



I hereby certify that the above and foregoing plat of Waterscape - Phase 2A Addition to the City of Royse City, Texas, was approved by the City of Royse City on the 21st day of November, 2019.

This approval shall be invalid unless the approved plat for such addition is recorded in the office of the County Clerk of Rockwall County, Texas, within one hundred eighty (180) days from said date of final approval. Said addition shall be subject to all the requirements of the Subdivision Regulations of the City of Royse City.

WITNESS OUR HANDS, this 20th day of November, 2019.

Dorcas
City Secretary



Recommended for preliminary Approval:	
<u>[Signature]</u> Planning & Zoning Commission Chairman	<u>11-20-19</u> Date
Approved for Preparation of Final Plat:	
<u>[Signature]</u> Mayor, City of Royse City, Texas	<u>11-25-19</u> Date

Filed and Recorded
07/02/2021 Public Records
Shelli Miller, County Clerk
Rockwall, County, Texas
11/20/2019 03:36:44 PM
\$200.00
201907020021200



Kevin A. Bigham
Notary Public, State of Texas
Commission Expires December 5, 2020

FINAL PLAT
WATERSCAPE - PHASE 2A
129 RESIDENTIAL LOTS
7 OPEN SPACES & 1 PARK
TOTALING 46.79 ACRES

SITUATED IN THE
S. C. WRIGHT SURVEY, ABST. No. 218
ROYSE CITY
ROCKWALL COUNTY, TEXAS

WATERSCAPE DEVELOPMENT, LLC

8200 DOUGLAS AVE #500 DALLAS, TEXAS 75226
Phone (714) 750-1000

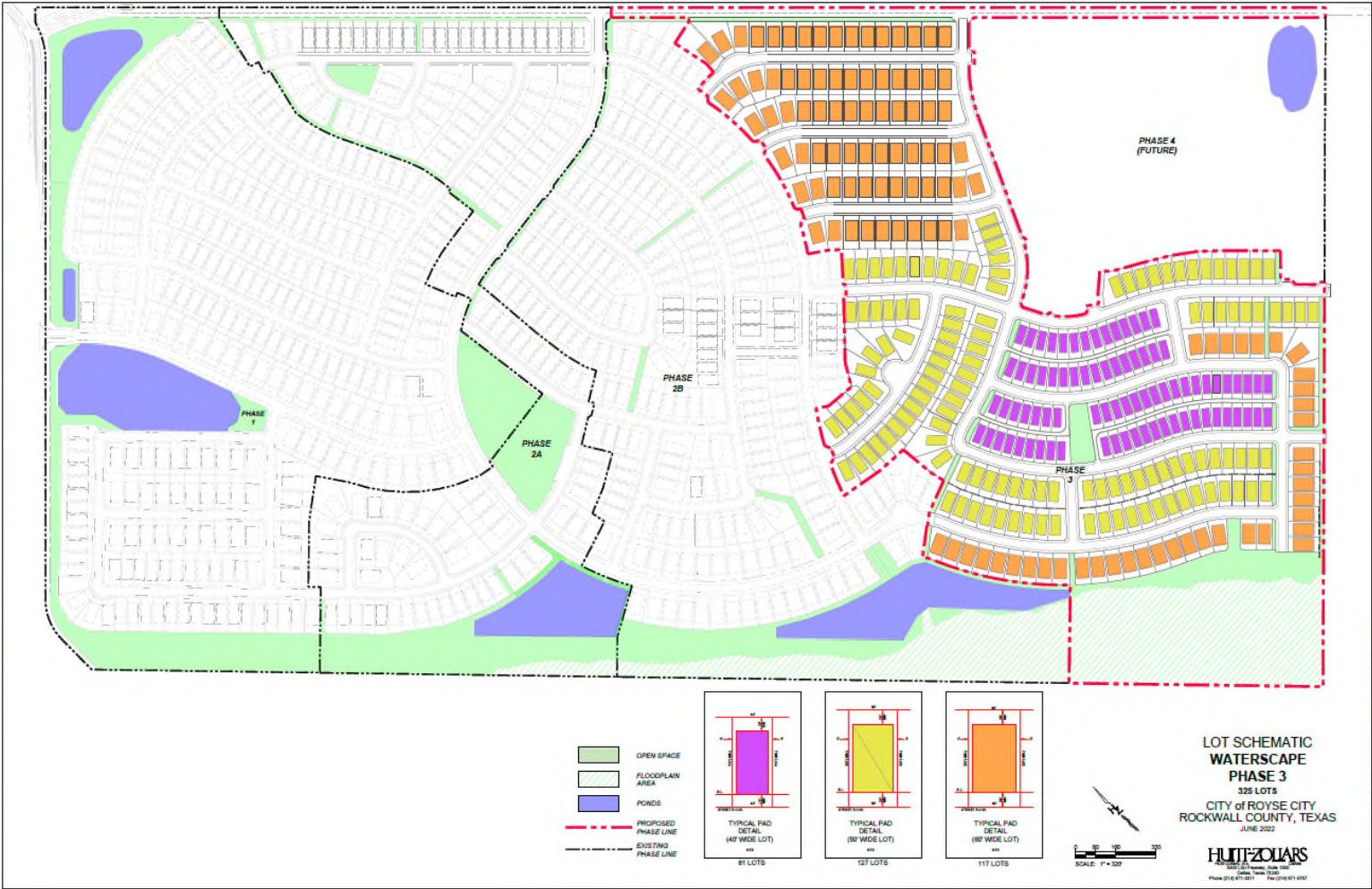
HUNT-ZOLLARS
PLATTING, INC.
1717 McKinney Avenue, Suite 1400, Dallas, TX 75201
Phone (214) 871-1311 Fax (214) 871-6727
Firm Registration No. 10025600

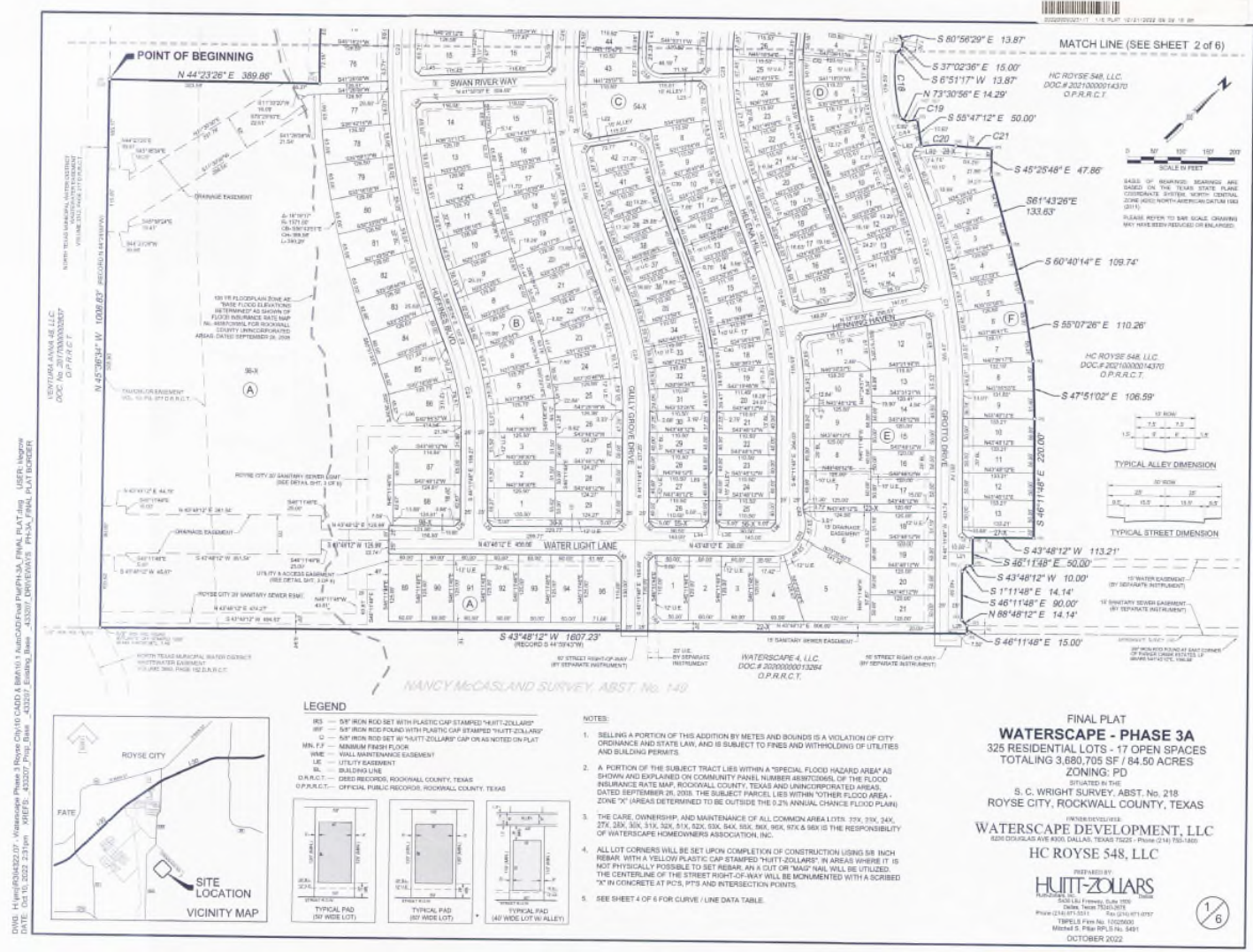
NOVEMBER, 2019



PROJECT NUMBER: R304322.02

EXHIBIT A-4 – MAP OF IMPROVEMENT AREA #3 AND PHASE 3A FINAL RECORDED PLAT





WATERSCAPE PUBLIC IMPROVEMENT DISTRICT
2024 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

FINAL PLAT
WATERSCAPE - PHASE 3A
325 RESIDENTIAL LOTS - 17 OPEN SPACES
TOTALING 3,689,705 SF / 84.50 ACRES
ZONING PD
SITUATED IN THE
S. C. WRIGHT SURVEY, ABST. NO. 216
ROYSE CITY, ROCKWALL COUNTY, TEXAS
(972) 961-1100
WATERSCAPE DEVELOPMENT, L.L.C.
8880 SCULLCREEK AVENUE, DALLAS, TEXAS 75248 (714) 724-1663
HC ROYSE, 548, LLC
PREPARED BY:
HUNTZOLARS
Dallas Office
509 S. LEE, FORT WORTH, TEXAS 76102
Dallas, Texas 75247-0101
Phone (214) 757-1511 Fax (214) 757-1511
TIRELL F. FRY JR. 10/26/2000
Michael S. Winer 05/15/01, June 1999
OCTOBER 2002

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EXHIBIT A-5 – MAP OF IMPROVEMENT AREA #4

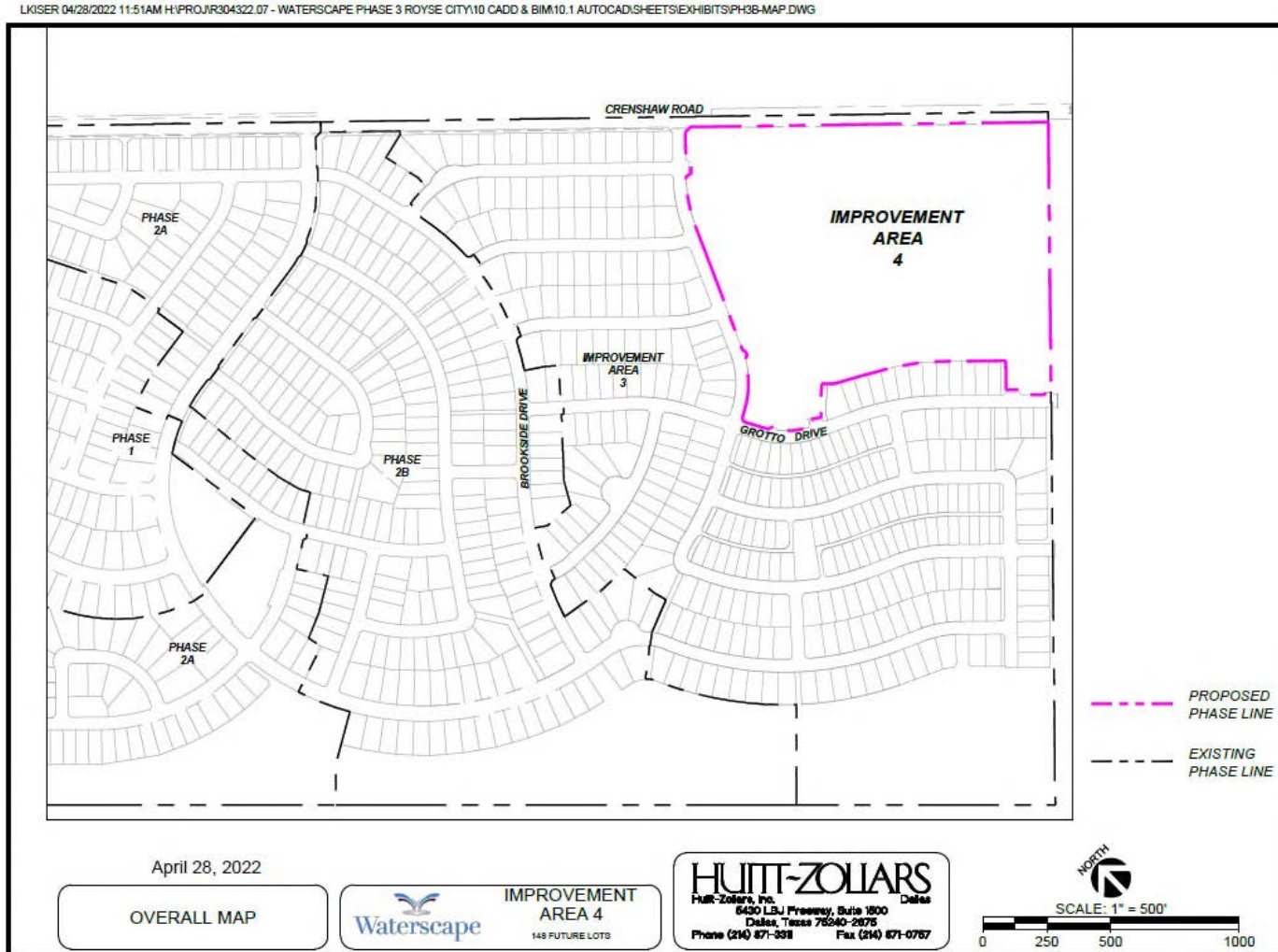


EXHIBIT A-6 – MAP OF MAJOR IMPROVEMENT AREA

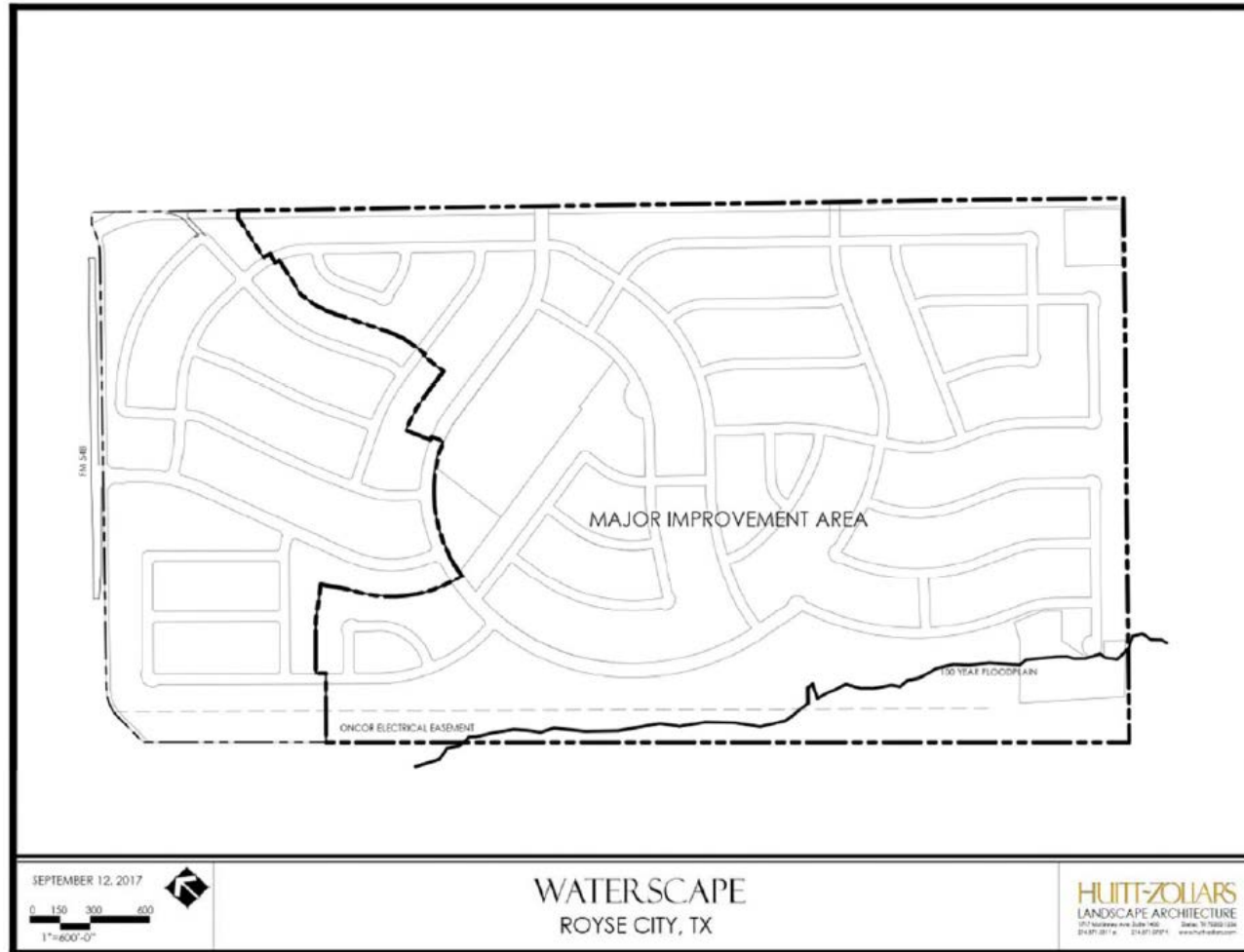


EXHIBIT A-7 – IMPROVEMENT AREA #4 LOT TYPE CLASSIFICATION MAP

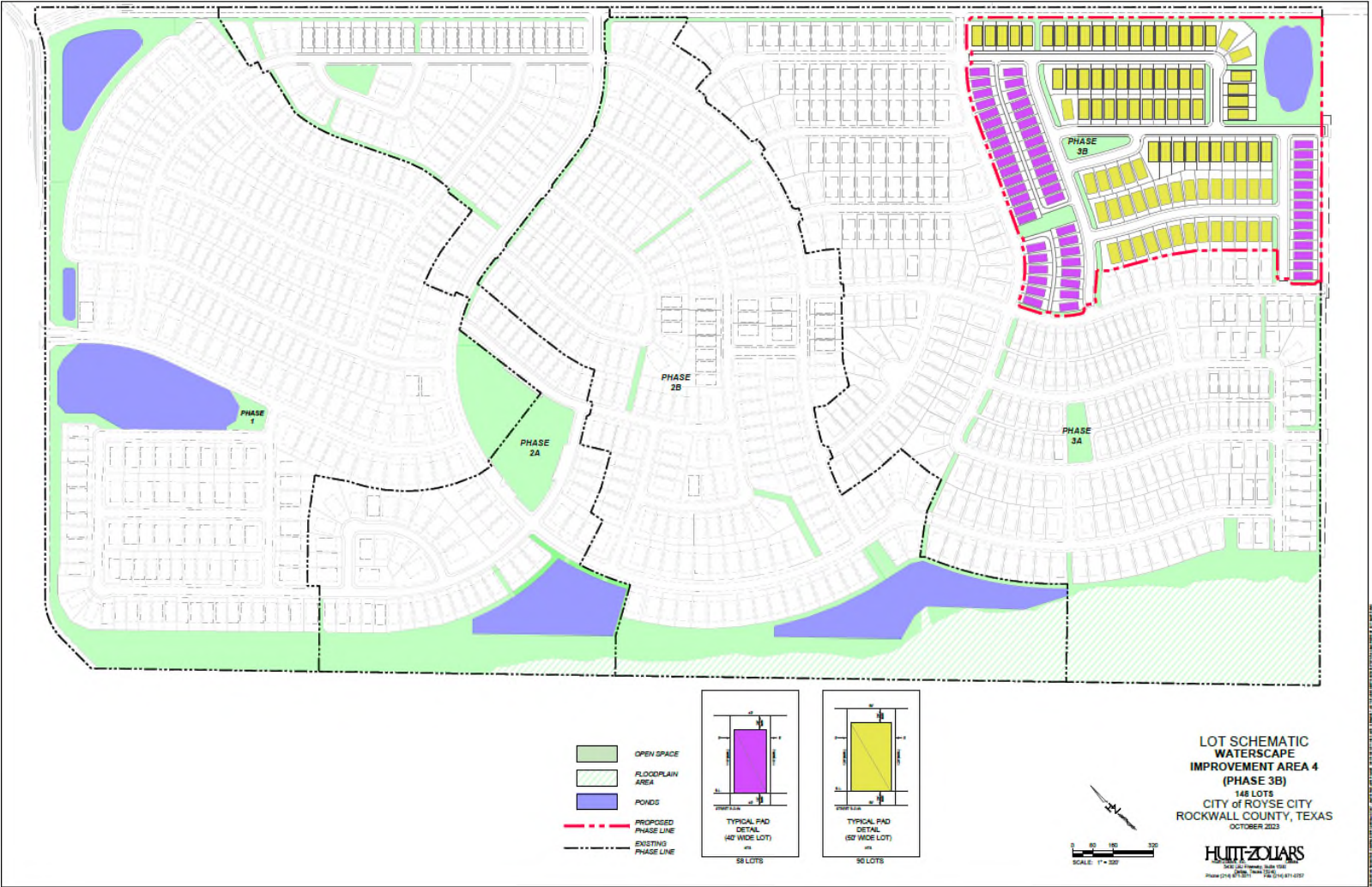


EXHIBIT B – PROJECT COSTS

	Total ³	Major Improvement Area		Improvement Area #1		Improvement Area #2		Improvement Area #3		Improvement Area #4	
		%	Cost	%	Cost	%	Cost	%	Cost	%	Cost
Major Improvements¹											
Streets & Storm Drainage ²	\$ 2,033,742	72.83%	\$ 1,481,095	27.17%	\$ 552,647	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Water & Sanitary Sewer	1,953,609	72.83%	1,422,737	27.17%	530,872	0.00%	-	0.00%	-	0.00%	-
Landscaping	2,080,000	72.83%	1,514,783	27.17%	565,217	0.00%	-	0.00%	-	0.00%	-
Soft Costs	530,201	72.83%	386,125	27.17%	144,076	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 6,597,553</u>		<u>\$ 4,804,739</u>		<u>\$ 1,792,813</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #1 Improvements											
Streets	\$ 3,680,544	0.00%	\$ -	100.00%	\$ 3,680,544	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Water & Sanitary Sewer	1,465,476	0.00%	-	100.00%	1,465,476	0.00%	-	0.00%	-	0.00%	-
Storm Drainage	710,730	0.00%	-	100.00%	710,730	0.00%	-	0.00%	-	0.00%	-
Soft Costs	1,370,186	0.00%	-	100.00%	1,370,186	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 7,226,937</u>		<u>\$ -</u>		<u>\$ 7,226,937</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #2 Improvements											
Streets	\$ 5,143,879	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 5,143,879	0.00%	\$ -	0.00%	\$ -
Water & Sanitary Sewer	2,843,825	0.00%	-	0.00%	-	100.00%	2,843,825	0.00%	-	0.00%	-
Storm Drainage	1,581,191	0.00%	-	0.00%	-	100.00%	1,581,191	0.00%	-	0.00%	-
Right of Way	730,008	0.00%	-	0.00%	-	100.00%	730,008	0.00%	-	0.00%	-
Soft Costs	2,648,970	0.00%	-	0.00%	-	100.00%	2,648,970	0.00%	-	0.00%	-
	<u>\$ 12,947,872</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 12,947,872</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #3 Improvements											
Streets ⁴	\$ 2,728,258	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 2,728,258	0.00%	\$ -
Water & Sanitary Sewer	2,233,443	0.00%	-	0.00%	-	0.00%	-	100.00%	2,233,443	0.00%	-
Storm Drainage	998,929	0.00%	-	0.00%	-	0.00%	-	100.00%	998,929	0.00%	-
Soft Costs	1,470,387	0.00%	-	0.00%	-	0.00%	-	100.00%	1,470,387	0.00%	-
	<u>\$ 7,431,017</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 7,431,017</u>		<u>\$ -</u>
Improvement Area #4 Improvements											
Streets ⁴	\$ 1,504,099	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 1,504,099
Water & Sanitary Sewer	1,211,556	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	1,211,556
Storm Drainage	170,609	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	170,609
Soft Costs	644,741	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	644,741
	<u>\$ 3,531,005</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 3,531,005</u>
Bond Issuance Costs - IA#1 Bonds & MIA Bonds											
Debt Service Reserve Fund	\$ 574,000		\$ 350,000		\$ 224,000		\$ -		\$ -		\$ -
Capitalized Interest	441,409		322,743		118,666		-		-		-
Underwriter Discount	257,250		154,500		102,750		-		-		-
Cost of Issuance	480,500		273,500		207,000		-		-		-
	<u>\$ 1,753,159</u>		<u>\$ 1,100,743</u>		<u>\$ 652,416</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Bond Issuance Costs - IA#1 Additional Bonds, IA#2 Bonds, IA#3 Bonds, IA#4 Bonds											
Debt Service Reserve Fund	\$ 1,867,427		\$ -		\$ 183,200		\$ 682,094		\$ 714,870		\$ 287,264
Capitalized Interest	359,704		-		-		297,091		-		62,613
Underwriter Discount	680,850		-		83,550		257,100		242,100		98,100
Cost of Issuance	1,288,000		-		154,500		417,500		480,000		236,000
	<u>\$ 4,195,981</u>		<u>\$ -</u>		<u>\$ 421,250</u>		<u>\$ 1,653,785</u>		<u>\$ 1,436,970</u>		<u>\$ 683,976</u>
Other Costs											
First Year Deposit to Administrative Fund	\$ 105,000		\$ -		\$ -		\$ 30,000		\$ 45,000		\$ 30,000
	<u>\$ 105,000</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 30,000</u>		<u>\$ 45,000</u>		<u>\$ 30,000</u>
Total	\$ 43,788,524		\$ 5,905,482		\$ 10,093,416		\$ 14,631,657		\$ 8,912,987		\$ 4,244,981

Notes:

¹ The Major Improvements are allocated between Improvement Area #1 and the Major Improvement Area based on the projected Lot counts of each area at the time the Major Improvement Area Bonds and Improvement Area #1 Initial Bonds were issued.

² Includes Crenshaw Road intersection improvements and Crenshaw Road ROW improvements.

³ Represents budgets of improvement costs for each Improvement Area at the time Assessments for each Improvement Area were levied, respectively. See **Section IX** for revised budgets and funds spent to date.

⁴ Includes grading, erosion control, street lights and paving.

EXHIBIT C – SERVICE PLAN

		Major Improvement Area				
Annual Installment Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Major Improvement Area Bonds						
Principal		\$ 100,000.00	\$ 105,000.00	\$ 110,000.00	\$ 115,000.00	\$ 120,000.00
Interest		\$ 237,512.50	\$ 232,762.50	\$ 227,775.00	\$ 222,550.00	\$ 217,087.50
	(1)	\$ 337,512.50	\$ 337,762.50	\$ 337,775.00	\$ 337,550.00	\$ 337,087.50
Additional Interest	(2)	\$ 22,825.00	\$ 22,325.00	\$ 21,800.00	\$ 21,250.00	\$ 20,675.00
Annual Collection Costs	(3)	\$ 18,415.76	\$ 18,784.08	\$ 19,159.76	\$ 19,542.95	\$ 19,933.81
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 378,753.26	\$ 378,871.58	\$ 378,734.76	\$ 378,342.95	\$ 377,696.31
Improvement Area #1						
Annual Installment Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Improvement Area #1 Initial Bonds						
Principal		\$ 70,000.00	\$ 75,000.00	\$ 75,000.00	\$ 80,000.00	\$ 85,000.00
Interest		\$ 150,500.00	\$ 147,525.00	\$ 144,337.50	\$ 141,150.00	\$ 137,750.00
Additional Interest		\$ 15,275.00	\$ 14,925.00	\$ 14,550.00	\$ 14,175.00	\$ 13,775.00
	(1)	\$ 235,775.00	\$ 237,450.00	\$ 233,887.50	\$ 235,325.00	\$ 236,525.00
Improvement Area #1 Additional Bonds						
Principal		\$ 60,000.00	\$ 60,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00
Interest		\$ 110,906.26	\$ 108,581.26	\$ 106,256.26	\$ 103,737.50	\$ 101,218.76
Additional Interest		\$ 12,675.00	\$ 12,375.00	\$ 12,075.00	\$ 11,750.00	\$ 11,425.00
	(2)	\$ 183,581.26	\$ 180,956.26	\$ 183,331.26	\$ 180,487.50	\$ 177,643.76
Annual Collection Costs	(3)	\$ 21,905.80	\$ 22,343.92	\$ 22,790.79	\$ 23,246.61	\$ 23,711.54
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 441,262.06	\$ 440,750.18	\$ 440,009.55	\$ 439,059.11	\$ 437,880.30
Improvement Area #2						
Annual Installment Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Improvement Area #2 Bonds						
Principal		\$ 170,000.00	\$ 175,000.00	\$ 185,000.00	\$ 195,000.00	\$ 200,000.00
Interest		\$ 368,331.26	\$ 361,318.76	\$ 354,100.00	\$ 346,468.76	\$ 338,425.00
	(1)	\$ 538,331.26	\$ 536,318.76	\$ 539,100.00	\$ 541,468.76	\$ 538,425.00
TIRZ Annual Credit Amount ^(a)	(2)	\$ (270,462.83)				
Additional Interest	(3)	\$ 39,725.00	\$ 38,875.00	\$ 38,000.00	\$ 37,075.00	\$ 36,100.00
Annual Collection Costs	(4)	\$ 29,828.72	\$ 30,425.29	\$ 31,033.80	\$ 31,654.48	\$ 32,287.57
Total Annual Installment	(5) = (1) + (2) + (3) + (4)	\$ 337,422.15	\$ 605,619.05	\$ 608,133.80	\$ 610,198.24	\$ 606,812.57
Improvement Area #3						
Annual Installment Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Improvement Area #3 Bonds						
Principal		\$ 116,000.00	\$ 122,000.00	\$ 127,000.00	\$ 133,000.00	\$ 140,000.00
Interest		\$ 441,562.50	\$ 436,052.50	\$ 430,257.50	\$ 424,225.00	\$ 417,408.75
	(1)	\$ 557,562.50	\$ 558,052.50	\$ 557,257.50	\$ 557,225.00	\$ 557,408.75
TIRZ Annual Credit Amount ^(a)	(2)	\$ (25,973.28)				
Additional Interest	(3)	\$ 39,355.00	\$ 38,775.00	\$ 38,165.00	\$ 37,530.00	\$ 36,865.00
Annual Collection Costs	(4)	\$ 29,405.27	\$ 29,993.38	\$ 30,593.24	\$ 31,205.11	\$ 31,829.21
Total Annual Installment	(5) = (1) + (2) + (3) + (4)	\$ 600,349.49	\$ 626,820.88	\$ 626,015.74	\$ 625,960.11	\$ 626,102.96
Improvement Area #4						
Annual Installment Due		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
Improvement Area #4 Bonds						
Principal		\$ 43,000.00	\$ 45,000.00	\$ 47,000.00	\$ 49,000.00	\$ 51,000.00
Interest		\$ 187,837.50	\$ 185,848.75	\$ 183,767.50	\$ 181,593.75	\$ 179,327.50
	(1)	\$ 230,837.50	\$ 230,848.75	\$ 230,767.50	\$ 230,593.75	\$ 230,327.50
TIRZ Annual Credit Amount ^(a)	(2)	\$ -				
Additional Interest	(3)	\$ 16,350.00	\$ 16,135.00	\$ 15,910.00	\$ 15,675.00	\$ 15,430.00
Annual Collection Costs	(4)	\$ 30,600.00	\$ 31,212.00	\$ 31,836.24	\$ 32,472.96	\$ 33,122.42
Total Annual Installment	(5) = (1) + (2) + (3) + (4)	\$ 277,787.50	\$ 278,195.75	\$ 278,513.74	\$ 278,741.71	\$ 278,879.92

Footnotes:

[a] The TIRZ Annual Credit Amount will be determined each year once TIRZ Revenue is determined.

EXHIBIT D – SOURCES AND USES OF FUNDS

	Major Improvement Area	Improvement Area #1	Improvement Area #2	Improvement Area #3	Improvement Area #4	Total
Sources of Funds						
Major Improvement Area Bond Par ¹	\$ 5,150,000	\$ -	\$ -	\$ -	\$ -	\$ 5,150,000
Improvement Area #1 Initial Bond Par ²	-	3,425,000	-	-	-	3,425,000
Improvement Area #1 Additional Bond Par ³	-	2,785,000	-	-	-	2,785,000
Improvement Area #1 Reimbursement Obligation ⁴	-	40,000	-	-	-	40,000
Improvement Area #2 Bond Par ⁵	-	-	8,570,000	-	-	8,570,000
Improvement Area #3 Bond Par ⁶	-	-	-	8,070,000	-	8,070,000
Improvement Area #4 Bond Par	-	-	-	-	3,270,000	3,270,000
Original Issue Discount	-	-	-	-	(12,588)	(12,588)
Owner Contribution	755,482	3,843,416	6,061,657	842,987	987,569	12,491,112
Total Sources	\$ 5,905,482	\$ 10,093,416	\$ 14,631,657	\$ 8,912,987	\$ 4,244,981	\$ 43,788,524
Vacated Sources of Funds						
Future Improvement Area Assessment ¹	\$ 13,340,000	\$ -	\$ -	\$ -	\$ -	\$ 13,340,000
Improvement Area #3 Stale Assessment	-	-	-	11,340,000	-	11,340,000
Total Vacated Sources	\$ 13,340,000	\$ -	\$ -	\$ 11,340,000	\$ -	\$ 24,680,000
Uses of Funds						
Major Improvements	\$ 4,804,739	\$ 1,792,813	\$ -	\$ -	\$ -	\$ 6,597,553
Improvement Area #1 Improvements	-	7,226,937	-	-	-	7,226,937
Improvement Area #2 Improvements	-	-	12,947,872	-	-	12,947,872
Improvement Area #3 Improvements	-	-	-	7,431,017	-	7,431,017
Improvement Area #4 Improvements	-	-	-	-	3,531,005	3,531,005
	\$ 4,804,739	\$ 9,019,750	\$ 12,947,872	\$ 7,431,017	\$ 3,531,005	\$ 37,734,383
Bond Issuance Costs - IA#1 Bonds & MIA Bonds						
Debt Service Reserve Fund	\$ 350,000	\$ 224,000	\$ -	\$ -	\$ -	\$ 574,000
Capitalized Interest	322,743	118,666	-	-	-	441,409.00
Underwriter Discount	154,500	102,750	-	-	-	257,250.00
Cost of Issuance	273,500	207,000	-	-	-	480,500
	\$ 1,100,743	\$ 652,416	\$ -	\$ -	\$ -	\$ 1,753,159
Bond Issuance Costs - IA#1 Additional Bonds, IA#2 Bonds, IA#3 Bonds, & IA#4 Bonds						
Debt Service Reserve Fund	\$ -	\$ 183,200	\$ 682,094	\$ 714,870	\$ 287,264	\$ 1,867,427
Capitalized Interest	-	-	297,091	-	62,613	359,704
Underwriter Discount	-	83,550	257,100	242,100	98,100	680,850
Cost of Issuance	-	154,500	417,500	480,000	236,000	1,288,000
	\$ -	\$ 421,250	\$ 1,653,785	\$ 1,436,970	\$ 683,976	\$ 4,195,981
Other Costs						
First Year Deposit to Administrative Fund	\$ -	\$ -	\$ 30,000	\$ 45,000	\$ 30,000	\$ 105,000
	\$ -	\$ -	\$ 30,000	\$ 45,000	\$ 30,000	\$ 105,000
Total Uses	\$ 5,905,482	\$ 10,093,416	\$ 14,631,657	\$ 8,912,987	\$ 4,244,981	\$ 43,788,524

Notes:

¹ Current outstanding Major Improvement Area Bonds is \$4,565,000 due to debt service payments reducing balance by \$445,000 and Mandatory Prepayment reducing balance by \$140,000.

² Current outstanding Improvement Area #1 Initial Bonds is \$3,055,000 due to debt service payments reducing balance by \$370,000.

³ Current outstanding Improvement Area #1 Additional Bonds is \$2,535,000 due to debt service payments reducing balance by \$250,000.

⁴ Improvement Area #1 Reimbursement Obligation outstanding balance is currently \$0 due to one or more of the following: the issuance of Improvement Area #1 Bonds, the payment of Improvement Area #1 Annual Installment payments, or being forgiven.

⁵ Current outstanding Improvement Area #2 Bonds is \$7,945,000 due to debt service payments reducing balance by \$625,000.

⁶ Current outstanding Improvement Area #3 Bonds is \$7,871,000 due to debt service payments reducing balance by \$199,000.

EXHIBIT E-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Lot Type	Outstanding Assessment		Annual Installment Due 1/31/2025 ^[a]
		Improvement Area #1 Initial Bonds	Improvement Area #1 Additional Bonds	
96144	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96145	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96146	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96147	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96148	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96149	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96150	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96151	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96152	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96153	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96154	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96155	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96156	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96157	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96158	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96159	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96160	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96161	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96162	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96163	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96164	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96165	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96166	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96167	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96168	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96169	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96170	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96171	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96172	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96173	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96174	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96175	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96639	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96640	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96641	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96642	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96643	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96644	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96645	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96646	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83

Property ID	Lot Type	Outstanding Assessment		Annual Installment Due 1/31/2025 ^[a]
		Improvement Area #1 Initial Bonds	Improvement Area #1 Additional Bonds	
96647	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96648	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96649	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96650	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96651	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96652	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96653	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96654	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96655	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96656	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96657	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96658	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96659	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96660	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96661	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96662	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96663	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96664	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96665	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96666	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96667	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96668	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96669	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96670	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96671	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96672	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96673	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96674	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96675	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96676	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96677	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96678	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96679	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96680	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96681	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96682	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96683	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96684	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96685	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96686	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41

Property ID	Lot Type	Outstanding Assessment		Annual Installment Due 1/31/2025 ^[a]
		Improvement Area #1 Initial Bonds	Improvement Area #1 Additional Bonds	
96687	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96688	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96689	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96690	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96691	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96692	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96693	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96694	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96695	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96696	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96697	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96698	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96699	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96700	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96701	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96702	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96703	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96704	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96705	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96706	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96707	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96708	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96709	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96710	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96711	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96712	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96713	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96714	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96715	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96716	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96717	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96718	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96719	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96720	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96721	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96722	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96723	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96724	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96725	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96726	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83

Property ID	Lot Type	Outstanding Assessment		Annual Installment Due 1/31/2025 ^[a]
		Improvement Area #1 Initial Bonds	Improvement Area #1 Additional Bonds	
96727	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96728	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96729	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96730	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96731	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96732	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96733	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96734	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96735	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96736	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96737	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96738	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96739	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96740	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96741	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96742	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96743	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96744	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96745	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96746	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96747	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96748	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96749	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96750	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96751	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96752	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96753	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96754	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96755	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96756	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96757	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96758	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96759	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96760	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96761	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96762	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96763	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96764	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96765	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96766	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83

Property ID	Lot Type	Outstanding Assessment		Annual Installment Due 1/31/2025 ^[a]
		Improvement Area #1 Initial Bonds	Improvement Area #1 Additional Bonds	
96767	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96768	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96769	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96770	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96771	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96772	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96773	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96774	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
96775	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96776	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96777	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96778	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96779	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96780	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96781	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96782	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96783	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96784	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96785	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96786	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96787	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96788	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96789	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96790	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96791	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96920	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96921	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96922	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96923	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96924	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96925	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96926	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96927	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96928	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96929	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96930	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96931	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96932	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96933	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96934	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83

Property ID	Lot Type	Outstanding Assessment		Annual Installment Due 1/31/2025 ^[a]
		Improvement Area #1 Initial Bonds	Improvement Area #1 Additional Bonds	
96935	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96936	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96937	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96938	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96939	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96940	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96941	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96942	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96943	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96944	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96945	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96946	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96947	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96948	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96949	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96950	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96951	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96952	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96953	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96954	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96955	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96956	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96957	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96958	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96959	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96960	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96961	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96962	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96963	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96964	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96965	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96966	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96967	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96968	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96969	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96970	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96971	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96972	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96973	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96974	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83

Property ID	Lot Type	Outstanding Assessment		Annual Installment Due 1/31/2025 ^[a]
		Improvement Area #1 Initial Bonds	Improvement Area #1 Additional Bonds	
96975	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96976	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96977	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96978	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96979	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96980	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96981	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96982	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96983	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96984	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96985	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96986	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96987	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96988	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96989	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96990	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96991	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96992	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96993	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96994	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96995	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96996	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96997	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96998	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
96999	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
97000	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
97001	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
97002	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
97003	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
97004	2	\$ 12,444.01	\$ 10,325.88	\$ 1,797.41
97005	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
97006	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
97007	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
97008	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
97009	1	\$ 10,369.98	\$ 8,604.88	\$ 1,497.83
97010	Non-Benefited Property	\$ -	\$ -	\$ -
97011	Non-Benefited Property	\$ -	\$ -	\$ -
97012	Non-Benefited Property	\$ -	\$ -	\$ -
97013	Non-Benefited Property	\$ -	\$ -	\$ -
Total^[b]		\$ 3,054,999.44	\$ 2,535,000.00	\$ 441,262.09

Footnotes:

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

[b] Totals may not match Service Plan or Installment Schedules due to rounding.

EXHIBIT E-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installments Due 1/31	Outstanding Improvement Area #1 Initial Bonds			Outstanding Improvement Area #1 Additional Bonds			Annual Collection Costs	Total Installment
	Principal	Interest ¹	Additional Interest	Principal	Interest	Additional Interest		
2025	\$ 70,000	\$ 150,500	\$ 15,275	\$ 60,000	\$ 110,906	\$ 12,675	\$ 21,906	\$ 441,262
2026	\$ 75,000	\$ 147,525	\$ 14,925	\$ 60,000	\$ 108,581	\$ 12,375	\$ 22,344	\$ 440,750
2027	\$ 75,000	\$ 144,338	\$ 14,550	\$ 65,000	\$ 106,256	\$ 12,075	\$ 22,791	\$ 440,010
2028	\$ 80,000	\$ 141,150	\$ 14,175	\$ 65,000	\$ 103,738	\$ 11,750	\$ 23,247	\$ 439,059
2029	\$ 85,000	\$ 137,750	\$ 13,775	\$ 65,000	\$ 101,219	\$ 11,425	\$ 23,712	\$ 437,880
2030	\$ 90,000	\$ 133,500	\$ 13,350	\$ 65,000	\$ 98,700	\$ 11,100	\$ 24,186	\$ 435,836
2031	\$ 90,000	\$ 129,000	\$ 3,975	\$ 85,000	\$ 95,856	\$ 10,775	\$ 24,669	\$ 439,276
2032	\$ 95,000	\$ 124,500	\$ -	\$ 90,000	\$ 92,138	\$ 10,350	\$ 25,163	\$ 437,150
2033	\$ 100,000	\$ 119,750	\$ -	\$ 95,000	\$ 88,200	\$ 9,900	\$ 25,666	\$ 438,516
2034	\$ 105,000	\$ 114,750	\$ -	\$ 95,000	\$ 84,044	\$ 9,425	\$ 26,179	\$ 434,398
2035	\$ 110,000	\$ 109,500	\$ -	\$ 100,000	\$ 79,888	\$ 8,950	\$ 26,703	\$ 435,041
2036	\$ 120,000	\$ 104,000	\$ -	\$ 100,000	\$ 75,513	\$ 8,450	\$ 27,237	\$ 435,200
2037	\$ 125,000	\$ 98,000	\$ -	\$ 105,000	\$ 71,138	\$ 7,950	\$ 27,782	\$ 434,869
2038	\$ 130,000	\$ 91,750	\$ -	\$ 110,000	\$ 66,544	\$ 7,425	\$ 28,337	\$ 434,056
2039	\$ 135,000	\$ 85,250	\$ -	\$ 115,000	\$ 61,731	\$ 6,875	\$ 28,904	\$ 432,760
2040	\$ 145,000	\$ 78,500	\$ -	\$ 115,000	\$ 56,700	\$ 6,300	\$ 29,482	\$ 430,982
2041	\$ 150,000	\$ 71,250	\$ -	\$ 125,000	\$ 51,525	\$ 5,725	\$ 30,072	\$ 433,572
2042	\$ 155,000	\$ 63,750	\$ -	\$ 130,000	\$ 45,900	\$ 5,100	\$ 30,673	\$ 430,423
2043	\$ 165,000	\$ 56,000	\$ -	\$ 135,000	\$ 40,050	\$ 4,450	\$ 31,287	\$ 431,787
2044	\$ 175,000	\$ 47,750	\$ -	\$ 135,000	\$ 33,975	\$ 3,775	\$ 31,913	\$ 427,413
2045	\$ 180,000	\$ 39,000	\$ -	\$ 145,000	\$ 27,900	\$ 3,100	\$ 32,551	\$ 427,551
2046	\$ 190,000	\$ 30,000	\$ -	\$ 150,000	\$ 21,375	\$ 2,375	\$ 33,202	\$ 426,952
2047	\$ 200,000	\$ 20,500	\$ -	\$ 160,000	\$ 14,625	\$ 1,625	\$ 33,866	\$ 430,616
2048	\$ 210,000	\$ 10,500	\$ -	\$ 165,000	\$ 7,425	\$ 825	\$ 34,543	\$ 428,293
Total	\$ 3,055,000	\$ 2,248,513	\$ 90,025	\$ 2,535,000	\$ 1,643,925	\$ 184,775	\$ 666,415	\$ 10,423,653

¹ Actual interest rate on Improvement Area #1 Initial Bonds is 4.250% for term bonds due September 15, 2028, and 5.000% for term bonds due September 15, 2048.

² Actual interest rate on Improvement Area #1 Additional Bonds is 3.500% for term bonds due September 15, 2024, 3.875% for term bonds due September 15, 2029, 4.375% for term bonds due September 15, 2039, and 4.500% for term bonds due September 15, 2048.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT F-1 – IMPROVEMENT AREA #2 ASSESSMENT ROLL

Property ID	Lot Type	Notes	Improvement Area #2 Bonds ^[a]		TIRZ Credit	Total Annual Installment due 1/31/2025 ^[b]
			Outstanding Assessment	Installment before TIRZ Credit		
102347	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102348	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102349	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102350	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102351	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102352	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102353	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102354	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102355	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102356	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102357	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102358	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102359	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102360	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102361	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102362	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102363	4		\$ 23,391.68	\$ 1,790.25	\$ 831.42	\$ 958.83
102364	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
102365	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102366	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102367	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102368	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102369	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102370	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102371	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102372	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102373	4		\$ 23,391.68	\$ 1,790.25	\$ 471.25	\$ 1,319.00
102374	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102375	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102376	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102377	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102378	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102379	4		\$ 23,391.68	\$ 1,790.25	\$ 848.62	\$ 941.63
102380	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102381	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102382	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102383	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102384	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102385	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102386	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102387	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102388	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102389	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102390	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102391	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102392	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102393	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102394	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102395	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102396	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25

			Improvement Area #2 Bonds ^[a]			
Property ID	Lot Type	Notes	Outstanding Assessment	Installment before TIRZ Credit	TIRZ Credit	Total Annual Installment due 1/31/2025 ^[b]
102397	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102398	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102399	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102400	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102401	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102402	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102403	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102404	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102405	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102406	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102407	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102408	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
102409	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102410	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102411	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102412	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102413	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102414	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102415	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102416	4		\$ 23,391.68	\$ 1,790.25	\$ 201.54	\$ 1,588.71
102417	4	[c]	\$ -	\$ -	\$ -	\$ -
102418	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102419	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102420	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102421	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102422	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102423	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102424	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102425	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102426	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102427	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102428	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
102429	4		\$ 23,391.68	\$ 1,790.25	\$ -	\$ 1,790.25
102430	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102431	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102432	4		\$ 23,391.68	\$ 1,790.25	\$ 796.04	\$ 994.21
102433	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102434	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102435	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102436	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102437	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102438	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102439	4		\$ 23,391.68	\$ 1,790.25	\$ 806.14	\$ 984.11
102440	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102441	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102442	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102443	4		\$ 23,391.68	\$ 1,790.25	\$ -	\$ 1,790.25
102444	4		\$ 23,391.68	\$ 1,790.25	\$ -	\$ 1,790.25
102445	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102446	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92

			Improvement Area #2 Bonds ^[a]			
Property ID	Lot Type	Notes	Outstanding Assessment	Installment before TIRZ Credit	TIRZ Credit	Total Annual Installment due 1/31/2025 ^[b]
102447	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102448	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102449	4		\$ 23,391.68	\$ 1,790.25	\$ -	\$ 1,790.25
102450	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102451	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102452	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102453	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102454	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
102455	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
102456	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
102457	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102458	3		\$ 21,851.98	\$ 1,672.42	\$ 649.19	\$ 1,023.23
102459	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
102460	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102461	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102462	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102463	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102464	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102465	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102466	4		\$ 23,391.68	\$ 1,790.25	\$ 740.42	\$ 1,049.83
102467	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
102468	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102469	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102470	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102471	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102472	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102473	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102474	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102475	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102476	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102477	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102478	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102479	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102480	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102481	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102482	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
102483	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
105504	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105505	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105506	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105507	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105508	4	[c]	\$ -	\$ -	\$ -	\$ -
105509	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105510	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105511	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105512	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105513	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105514	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105515	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105516	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92

			Improvement Area #2 Bonds ^[a]			
Property ID	Lot Type	Notes	Outstanding Assessment	Installment before TIRZ Credit	TIRZ Credit	Total Annual Installment due 1/31/2025 ^[b]
105517	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105518	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105519	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105520	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105521	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105522	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
105523		3	\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105524	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105525	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105526	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105527	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105528	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105529	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105530	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105531	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105532	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105533	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105534	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105535	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105536	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105537	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105538	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105539	3		\$ 21,851.98	\$ 1,672.42	\$ -	\$ 1,672.42
105540	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105541	3		\$ 21,851.98	\$ 1,672.42	\$ 291.80	\$ 1,380.62
105542	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105543	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105544	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105545	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105546	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105547	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105548	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105549	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105550	3		\$ 21,851.98	\$ 1,672.42	\$ 730.12	\$ 942.30
105551	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105552	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105553	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105554	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105555	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105556	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105557	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105558	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105559	3		\$ 21,851.98	\$ 1,672.42	\$ -	\$ 1,672.42
105560	3		\$ 21,851.98	\$ 1,672.42	\$ 197.09	\$ 1,475.33
105561	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105562	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105563	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105564	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105565	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105566	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92

			Improvement Area #2 Bonds ^[a]			
Property ID	Lot Type	Notes	Outstanding Assessment	Installment before TIRZ Credit	TIRZ Credit	Total Annual Installment due 1/31/2025 ^[b]
105567	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105568	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105569	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105570	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105571	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105572	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105573	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105574	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105575	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105576	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105577	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105578	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105579	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105580	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105581	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105582	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105583	4		\$ 23,391.68	\$ 1,790.25	\$ 672.33	\$ 1,117.92
105584	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105585	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
105586	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105587	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105588	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105589	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105590	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105591	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105592	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105593	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105594	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105595	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105596	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105597	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105598	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105599	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105600	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105601	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105602	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105603	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105604	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105605	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105606	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105607	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105608	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105609	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105610	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105611	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105612	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105613	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105614	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105615	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105616	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92

			Improvement Area #2 Bonds ^[a]			
Property ID	Lot Type	Notes	Outstanding Assessment	Installment before TIRZ Credit	TIRZ Credit	Total Annual Installment due 1/31/2025 ^[b]
105617	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105618	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105619	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105620	4		\$ 23,391.68	\$ 1,790.25	\$ -	\$ 1,790.25
105621	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105622	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105623	4		\$ 23,391.68	\$ 1,790.25	\$ -	\$ 1,790.25
105624	4		\$ 23,391.68	\$ 1,790.25	\$ -	\$ 1,790.25
105625	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105626	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105627	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105628	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
105629	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
105630	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
105631	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105632	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105633	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105634	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105635	3		\$ 21,851.98	\$ 1,672.42	\$ -	\$ 1,672.42
105636	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105637	3		\$ 21,851.98	\$ 1,672.42	\$ 657.65	\$ 1,014.77
105638	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105639	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105640	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105641	3		\$ 21,851.98	\$ 1,672.42	\$ 350.26	\$ 1,322.16
105642	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105643	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105644	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105645	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105646	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105647	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
105648	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105649	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105650	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105651	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105652	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105653	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105654	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105655	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105656	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105657	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105658	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105659	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105660	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105661	3		\$ 21,851.98	\$ 1,672.42	\$ 174.59	\$ 1,497.83
105662	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105663	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105664	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105665	3		\$ 21,851.98	\$ 1,672.42	\$ 181.78	\$ 1,490.64
105666	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25

			Improvement Area #2 Bonds ^[a]			
Property ID	Lot Type	Notes	Outstanding Assessment	Installment before TIRZ Credit	TIRZ Credit	Total Annual Installment due 1/31/2025 ^[b]
105667	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105668	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105669	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105670	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105671	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105672	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105673	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105674	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105675	3		\$ 21,851.98	\$ 1,672.42	\$ 250.69	\$ 1,421.73
105676	3		\$ 21,851.98	\$ 1,672.42	\$ -	\$ 1,672.42
105677	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105678	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105679	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105680	3		\$ 21,851.98	\$ 1,672.42	\$ -	\$ 1,672.42
105681	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105682	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105683	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105684	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105685	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105686	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105687	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105688	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105689	3		\$ 21,851.98	\$ 1,672.42	\$ 78.82	\$ 1,593.60
105690	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105691	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105692	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105693	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105694	4		\$ 23,391.68	\$ 1,790.25	\$ 853.33	\$ 936.92
105695	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105696	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105697	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105698	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105699	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105700	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105701	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105702	3		\$ 21,851.98	\$ 1,672.42	\$ -	\$ 1,672.42
105703	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105704	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105705	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105706	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105707	3	[e]	\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105708	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
105709	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
105710	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
105711	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
105712	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105713	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105714	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105715	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105716	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25

			Improvement Area #2 Bonds ^[a]			
Property ID	Lot Type	Notes	Outstanding Assessment	Installment before TIRZ Credit	TIRZ Credit	Total Annual Installment due 1/31/2025 ^[b]
105717	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105718	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105719	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105720	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105721	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105722	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105723	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105724	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105725	3		\$ 21,851.98	\$ 1,672.42	\$ 552.81	\$ 1,119.61
105726	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105727	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105728	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105729	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105730	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105731	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105732	Non-Benefited Property		\$ -	\$ -	\$ -	\$ -
105733	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105734	3		\$ 21,851.98	\$ 1,672.42	\$ -	\$ 1,672.42
105735	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105736	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105737	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105738	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
105740	3		\$ 21,851.98	\$ 1,672.42	\$ 797.17	\$ 875.25
Total ^[d]			\$7,898,216.76	\$ 604,480.68	\$ 270,462.83	\$ 334,017.85

Footnotes:

[a] Represents Improvement Area #2 Bonds attributable to Improvement Area #2. Lots within Improvement Area #2 have also been allocated a portion of the Major Improvement Area Assessment. See Exhibit I-1 for the Major Improvement Area Assessment Roll.

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

[c] Property has prepaid their Assessment in full.

[d] Totals may not match Service Plan or Installment schedules due to rounding and/or Prepayments.

[e] Includes the Property Tax Payment of baby parcel 114334.

EXHIBIT F-2 – IMPROVEMENT AREA #2 ANNUAL INSTALLMENTS

Installments Due 1/31	Outstanding Improvement Area #2 Bonds ¹				Total Installment
	Principal	Interest ²	Additional Interest	Annual Collection Costs	
2025	\$ 170,000	\$ 368,331	\$ 39,725	\$ 29,829	\$ 607,885
2026	\$ 175,000	\$ 361,319	\$ 38,875	\$ 30,425	\$ 605,619
2027	\$ 185,000	\$ 354,100	\$ 38,000	\$ 31,034	\$ 608,134
2028	\$ 195,000	\$ 346,469	\$ 37,075	\$ 31,654	\$ 610,198
2029	\$ 200,000	\$ 338,425	\$ 36,100	\$ 32,288	\$ 606,813
2030	\$ 210,000	\$ 330,175	\$ 35,100	\$ 32,933	\$ 608,208
2031	\$ 220,000	\$ 320,463	\$ 34,050	\$ 33,592	\$ 608,104
2032	\$ 230,000	\$ 310,288	\$ 32,950	\$ 34,264	\$ 607,501
2033	\$ 240,000	\$ 299,650	\$ 31,800	\$ 34,949	\$ 606,399
2034	\$ 255,000	\$ 288,550	\$ 30,600	\$ 35,648	\$ 609,798
2035	\$ 265,000	\$ 276,756	\$ 29,325	\$ 36,361	\$ 607,442
2036	\$ 280,000	\$ 264,500	\$ 28,000	\$ 37,088	\$ 609,588
2037	\$ 290,000	\$ 251,550	\$ 26,600	\$ 37,830	\$ 605,980
2038	\$ 310,000	\$ 238,138	\$ 25,150	\$ 38,587	\$ 611,874
2039	\$ 320,000	\$ 223,800	\$ 23,600	\$ 39,358	\$ 606,758
2040	\$ 335,000	\$ 209,000	\$ 22,000	\$ 40,146	\$ 606,146
2041	\$ 355,000	\$ 193,088	\$ 20,325	\$ 40,948	\$ 609,361
2042	\$ 370,000	\$ 176,225	\$ 18,550	\$ 41,767	\$ 606,542
2043	\$ 390,000	\$ 158,650	\$ 16,700	\$ 42,603	\$ 607,953
2044	\$ 410,000	\$ 140,125	\$ 14,750	\$ 43,455	\$ 608,330
2045	\$ 430,000	\$ 120,650	\$ 12,700	\$ 44,324	\$ 607,674
2046	\$ 450,000	\$ 100,225	\$ 10,550	\$ 45,210	\$ 605,985
2047	\$ 475,000	\$ 78,850	\$ 8,300	\$ 46,115	\$ 608,265
2048	\$ 500,000	\$ 56,288	\$ 5,925	\$ 47,037	\$ 609,249
2049	\$ 685,000	\$ 32,538	\$ 3,425	\$ 47,978	\$ 768,940
Total	\$ 7,945,000	\$ 5,838,150	\$ 620,175	\$ 955,423	\$ 15,358,748

¹ Represents only Improvement Area #2 Bonds. Lots within Improvement Area #2 have also been allocated a portion of the Major Improvement Area Assessment. See **Exhibit I-1** for the Major Improvement Area Assessment Roll.

² Actual interest rates for Improvement Area #2 Bonds with a 2024, 2029, 2039 and 2049 maturity are 3.750%, 4.125%, 4.625% and 4.750% respectively.

⁴ Not inclusive of TIRZ No. 1 Annual Credit Amount.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 – IMPROVEMENT AREA #3 ASSESSMENT ROLL

Property ID	Lot Type	Improvement Area #3 Bonds ^[a]		TIRZ Credit	Total Annual Installment	
		Outstanding Assessment	Installment Before TIRZ Credit		Due 1/31/2025 ^[b]	
330356	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330357	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330358	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330359	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330360	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330361	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330362	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330363	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330364	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330365	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330366	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330367	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330368	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330369	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330370	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330371	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330372	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330373	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330374	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330375	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330376	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330377	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330378	7	\$ 26,873.67	\$ 2,138.43	\$ 36.79	\$ 2,101.64	
330379	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330380	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330381	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330382	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330383	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38	
330387	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330388	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330389	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330390	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330391	6	\$ 23,887.71	\$ 1,900.83	\$ 57.77	\$ 1,843.06	
330392	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330393	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330394	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330395	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330396	6	\$ 23,887.71	\$ 1,900.83	-	\$ 1,900.83	
330397	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330398	6	\$ 23,887.71	\$ 1,900.83	-	\$ 1,900.83	
330399	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330400	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330401	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330402	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330403	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330404	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330405	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330406	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330407	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	
330408	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78	

		Improvement Area #3 Bonds ^[a]			
Property ID	Lot Type	Outstanding Assessment	Installment Before TIRZ Credit	TIRZ Credit	Total Annual Installment Due 1/31/2025 ^[b]
330409	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330410	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330411	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330412	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330413	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330414	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330415	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330417	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330418	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330419	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330420	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330421	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330422	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330423	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330424	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330425	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330426	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330427	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330428	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330429	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330430	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330431	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330432	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330433	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330434	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330435	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330436	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330437	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330438	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330439	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330440	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330441	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330442	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330443	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330444	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330445	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330446	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330447	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330448	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330449	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330450	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330451	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330452	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330453	5	\$ 20,901.75	\$ 1,663.22	\$ -	\$ 1,663.22
330454	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330455	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330456	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330457	5	\$ 20,901.75	\$ 1,663.22	\$ -	\$ 1,663.22
330458	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17
330459	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17

		Improvement Area #3 Bonds ^[a]					
Property ID	Lot Type	Outstanding Assessment	Installment Before TIRZ Credit	TIRZ Credit	Total Annual Installment Due 1/31/2025 ^[b]		
330460	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330461	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330462	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330463	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330464	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330465	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330466	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330467	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330473	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330474	5	\$ 20,901.75	\$ 1,663.22	\$ -	\$ 1,663.22		
330475	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330476	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330477	5	\$ 20,901.75	\$ 1,663.22	\$ 80.96	\$ 1,582.26		
330478	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330479	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330480	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330481	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330482	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330483	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330484	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330485	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330486	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330487	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330488	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330489	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330490	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330491	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330492	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330493	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330494	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330495	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330496	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330497	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330498	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330499	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330500	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330501	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330502	5	\$ 20,901.75	\$ 1,663.22	\$ 82.05	\$ 1,581.17		
330505	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330506	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330507	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330508	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330509	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330510	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330511	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330512	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330513	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330514	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330515	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330516	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		

		Improvement Area #3 Bonds ^[a]					
Property ID	Lot Type	Outstanding Assessment	Installment Before TIRZ Credit	TIRZ Credit	Total Annual Installment Due 1/31/2025 ^[b]		
330517	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330518	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330519	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330520	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330521	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330522	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330523	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330524	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330525	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330529	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330530	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330531	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330532	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330533	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330534	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330535	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330536	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330537	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330538	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330539	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330540	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330541	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330544	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330545	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330546	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330547	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330548	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330549	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330550	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330551	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330552	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330553	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330554	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330555	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330556	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330557	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330558	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330559	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330560	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330561	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330562	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330563	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330564	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330565	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330566	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330567	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330568	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330569	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330570	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330571	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		

		Improvement Area #3 Bonds ^[a]			
Property ID	Lot Type	Outstanding Assessment	Installment Before TIRZ Credit	TIRZ Credit	Total Annual Installment Due 1/31/2025 ^[b]
330572	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330573	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330574	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330575	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330576	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330577	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330578	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330579	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330580	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330581	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330582	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330583	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330584	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330585	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330586	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330587	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330588	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330589	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330590	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330591	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330592	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330593	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330594	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330595	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38
330596	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330597	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330598	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330599	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330600	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330601	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330602	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330603	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330604	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330605	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330606	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330607	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330608	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330609	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330610	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330611	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330612	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330613	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330614	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330615	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330616	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330617	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330618	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330619	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330620	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330621	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78

		Improvement Area #3 Bonds ^[a]					
Property ID	Lot Type	Outstanding Assessment	Installment Before TIRZ Credit	TIRZ Credit	Total Annual Installment Due 1/31/2025 ^[b]		
330622	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330623	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330624	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330625	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330626	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330627	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330628	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330629	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330630	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330631	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330632	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330633	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330634	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330635	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330636	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330637	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330638	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330639	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330640	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330641	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330642	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330643	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330644	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330645	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330646	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330647	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330648	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330649	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330650	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330651	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330652	7	\$ 26,873.67	\$ 2,138.43	\$ 82.05	\$ 2,056.38		
330654	6	\$ 23,887.71	\$ 1,900.83	\$ 34.06	\$ 1,866.77		
330655	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330656	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330657	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330658	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330659	6	\$ 23,887.71	\$ 1,900.83	\$ -	\$ 1,900.83		
330660	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330661	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330662	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330663	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330664	6	\$ 23,887.71	\$ 1,900.83	\$ -	\$ 1,900.83		
330665	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330666	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330667	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330668	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330669	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330670	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330671	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		
330672	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78		

		Improvement Area #3 Bonds ^[a]			
Property ID	Lot Type	Outstanding Assessment	Installment Before TIRZ Credit	TIRZ Credit	Total Annual Installment Due 1/31/2025 ^[b]
330673	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330674	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330675	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330676	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330677	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330678	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330679	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330680	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330681	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330682	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330683	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330684	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330685	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330686	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330687	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330688	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330689	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330690	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330691	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330692	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330693	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330694	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330695	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330696	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330697	6	\$ 23,887.71	\$ 1,900.83	\$ 82.05	\$ 1,818.78
330542	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330543	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330470	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330471	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330472	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330385	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330698	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330468	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330469	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330503	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330504	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330653	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330526	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330527	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330416	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330384	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
330386	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
97014	Non-Benefitted	\$ -	\$ -	\$ -	\$ -
Total^[c]		\$ 7,871,000.31	\$ 626,322.54	\$ 25,973.28	\$ 600,349.26

Footnotes:

[a] Represents Improvement Area #3 Bonds attributable to Improvement Area #3. Lots within Improvement Area #3 have also been allocated a portion of the Major Improvement Area Assessment. See **Exhibit I-1** for the Major Improvement Area Assessment Roll.

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

[c] Totals may not match Service Plan or Installment schedules due to rounding and/or Prepayments.

EXHIBIT G-2 – IMPROVEMENT AREA #3 ANNUAL INSTALLMENTS

Installments Due 1/31	Outstanding Improvement Area #3 Bonds ¹					Annual Installment
	Principal	Interest ²	Additional Interest	Annual Collection Costs		
2025	\$ 116,000	\$ 441,563	\$ 39,355	\$ 29,405		\$ 626,323
2026	\$ 122,000	\$ 436,053	\$ 38,775	\$ 29,993		\$ 626,821
2027	\$ 127,000	\$ 430,258	\$ 38,165	\$ 30,593		\$ 626,016
2028	\$ 133,000	\$ 424,225	\$ 37,530	\$ 31,205		\$ 625,960
2029	\$ 140,000	\$ 417,409	\$ 36,865	\$ 31,829		\$ 626,103
2030	\$ 147,000	\$ 410,234	\$ 36,165	\$ 32,466		\$ 625,865
2031	\$ 154,000	\$ 402,700	\$ 35,430	\$ 33,115		\$ 625,245
2032	\$ 162,000	\$ 394,808	\$ 34,660	\$ 33,777		\$ 625,245
2033	\$ 171,000	\$ 386,505	\$ 33,850	\$ 34,453		\$ 625,808
2034	\$ 180,000	\$ 376,886	\$ 32,995	\$ 35,142		\$ 625,023
2035	\$ 190,000	\$ 366,761	\$ 32,095	\$ 35,845		\$ 624,701
2036	\$ 201,000	\$ 356,074	\$ 31,145	\$ 36,562		\$ 624,781
2037	\$ 213,000	\$ 344,768	\$ 30,140	\$ 37,293		\$ 625,200
2038	\$ 225,000	\$ 332,786	\$ 29,075	\$ 38,039		\$ 624,900
2039	\$ 238,000	\$ 320,130	\$ 27,950	\$ 38,800		\$ 624,880
2040	\$ 251,000	\$ 306,743	\$ 26,760	\$ 39,576		\$ 624,078
2041	\$ 266,000	\$ 292,624	\$ 25,505	\$ 40,367		\$ 624,496
2042	\$ 281,000	\$ 277,661	\$ 24,175	\$ 41,174		\$ 624,011
2043	\$ 297,000	\$ 261,855	\$ 22,770	\$ 41,998		\$ 623,623
2044	\$ 315,000	\$ 244,778	\$ 21,285	\$ 42,838		\$ 623,900
2045	\$ 334,000	\$ 226,665	\$ 19,710	\$ 43,695		\$ 624,070
2046	\$ 354,000	\$ 207,460	\$ 18,040	\$ 44,569		\$ 624,069
2047	\$ 375,000	\$ 187,105	\$ 16,270	\$ 45,460		\$ 623,835
2048	\$ 398,000	\$ 165,543	\$ 14,395	\$ 46,369		\$ 624,307
2049	\$ 567,000	\$ 142,658	\$ 12,405	\$ 47,297		\$ 769,359
2050	\$ 601,000	\$ 110,055	\$ 9,570	\$ 48,242		\$ 768,867
2051	\$ 637,000	\$ 75,498	\$ 6,565	\$ 49,207		\$ 768,270
2052	\$ 676,000	\$ 38,870	\$ 3,380	\$ 50,191		\$ 768,441
Total	\$ 7,871,000	\$ 8,378,670	\$ 735,025	\$ 1,089,501		\$ 18,699,796

¹ Represents only Improvement Area #3 Bonds. Lots within Improvement Area #3 have also been allocated a portion of the Major Improvement Area Assessment. See **Exhibit I-1** for the Major Improvement Area Assessment Roll.

² Interest rate for Improvement Area #3 Bonds is calculated at 4.750%, 5.125%, 5.625%, and 5.750% for term bonds maturing September 15, 2027, 2032, 2042 and 2052 respectively.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H-1 – IMPROVEMENT AREA #4 ASSESSMENT ROLL

		Improvement Area #4 Bonds ¹			
Property ID	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2025 ²	TIRZ Credit	Total Annual Installment Due 1/31/2025 ²
12863	Improvement Area #4 Initial Parcel	\$ 3,270,000.00	\$ 277,787.50	\$ -	\$ 277,787.50
Total		\$ 3,270,000.00	\$ 277,787.50	\$ -	\$ 277,787.50

¹ Represents Improvement Area #4 Bonds attributable to Improvement Area #4. Lots within Improvement Area #4 have also been allocated a portion of the Major Improvement Area Assessment. See **Exhibit I-1** for the Major Improvement Area Assessment Roll.

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

EXHIBIT H-2 – IMPROVEMENT AREA #4 ANNUAL INSTALLMENTS

Installments Due 1/31	Outstanding Improvement Area #4 Bonds [a]				Annual Installment
	Principal	Interest [b]	Additional Interest	Annual Collection Costs	
2025	\$ 43,000	\$ 187,838	\$ 16,350	\$ 30,600	\$ 277,788
2026	\$ 45,000	\$ 185,849	\$ 16,135	\$ 31,212	\$ 278,196
2027	\$ 47,000	\$ 183,768	\$ 15,910	\$ 31,836	\$ 278,514
2028	\$ 49,000	\$ 181,594	\$ 15,675	\$ 32,473	\$ 278,742
2029	\$ 51,000	\$ 179,328	\$ 15,430	\$ 33,122	\$ 278,880
2030	\$ 53,000	\$ 176,969	\$ 15,175	\$ 33,785	\$ 278,929
2031	\$ 54,000	\$ 174,518	\$ 14,910	\$ 34,461	\$ 277,888
2032	\$ 57,000	\$ 172,020	\$ 14,640	\$ 35,150	\$ 278,810
2033	\$ 59,000	\$ 168,671	\$ 14,355	\$ 35,853	\$ 277,879
2034	\$ 63,000	\$ 165,205	\$ 14,060	\$ 36,570	\$ 278,835
2035	\$ 66,000	\$ 161,504	\$ 13,745	\$ 37,301	\$ 278,550
2036	\$ 69,000	\$ 157,626	\$ 13,415	\$ 38,047	\$ 278,089
2037	\$ 73,000	\$ 153,573	\$ 13,070	\$ 38,808	\$ 278,451
2038	\$ 77,000	\$ 149,284	\$ 12,705	\$ 39,584	\$ 278,573
2039	\$ 81,000	\$ 144,760	\$ 12,320	\$ 40,376	\$ 278,456
2040	\$ 85,000	\$ 140,001	\$ 11,915	\$ 41,184	\$ 278,100
2041	\$ 90,000	\$ 135,008	\$ 11,490	\$ 42,007	\$ 278,505
2042	\$ 95,000	\$ 129,720	\$ 11,040	\$ 42,847	\$ 278,607
2043	\$ 100,000	\$ 124,139	\$ 10,565	\$ 43,704	\$ 278,408
2044	\$ 106,000	\$ 118,264	\$ 10,065	\$ 44,578	\$ 278,907
2045	\$ 112,000	\$ 112,036	\$ 9,535	\$ 45,470	\$ 279,041
2046	\$ 119,000	\$ 105,456	\$ 8,975	\$ 46,379	\$ 279,811
2047	\$ 126,000	\$ 98,465	\$ 8,380	\$ 47,307	\$ 280,152
2048	\$ 133,000	\$ 91,063	\$ 7,750	\$ 48,253	\$ 280,066
2049	\$ 204,000	\$ 83,249	\$ 7,085	\$ 49,218	\$ 343,552
2050	\$ 216,000	\$ 71,264	\$ 6,065	\$ 50,203	\$ 343,531
2051	\$ 228,000	\$ 58,574	\$ 4,985	\$ 51,207	\$ 342,765
2052	\$ 242,000	\$ 45,179	\$ 3,845	\$ 52,231	\$ 343,254
2053	\$ 256,000	\$ 30,961	\$ 2,635	\$ 53,275	\$ 342,872
2054	\$ 271,000	\$ 15,921	\$ 1,355	\$ 54,341	\$ 342,617
Total	\$ 3,270,000	\$ 3,901,803	\$ 333,580	\$ 1,241,383	\$ 8,746,766

[a] Represents only Improvement Area #4 Bonds. Lots within Improvement Area #4 have also been allocated a portion of the Major Improvement Area Assessment. See **Exhibit I-1** for the Major Improvement Area Assessment Roll.

[b] Actual interest rate on the Improvement Area #4 Bonds is 4.625% for term bonds due September 15, 2031, and 5.875% for term bonds due September 15, 2054.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT I-1 – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
102347	IA#2	3		\$ 5,486.52	\$ 455.27
102348	IA#2	3		\$ 5,486.52	\$ 455.27
102349	IA#2	3		\$ 5,486.52	\$ 455.27
102350	IA#2	3		\$ 5,486.52	\$ 455.27
102351	IA#2	3		\$ 5,486.52	\$ 455.27
102352	IA#2	3		\$ 5,486.52	\$ 455.27
102353	IA#2	3		\$ 5,486.52	\$ 455.27
102354	IA#2	3		\$ 5,486.52	\$ 455.27
102355	IA#2	3		\$ 5,486.52	\$ 455.27
102356	IA#2	3		\$ 5,486.52	\$ 455.27
102357	IA#2	3		\$ 5,486.52	\$ 455.27
102358	IA#2	3		\$ 5,486.52	\$ 455.27
102359	IA#2	3		\$ 5,486.52	\$ 455.27
102360	IA#2	3		\$ 5,486.52	\$ 455.27
102361	IA#2	4		\$ 5,873.10	\$ 487.34
102362	IA#2	4		\$ 5,873.10	\$ 487.34
102363	IA#2	4		\$ 5,873.10	\$ 487.34
102364	IA#2	Non-Benefited		\$ -	\$ -
102365	IA#2	4		\$ 5,873.10	\$ 487.34
102366	IA#2	4		\$ 5,873.10	\$ 487.34
102367	IA#2	4		\$ 5,873.10	\$ 487.34
102368	IA#2	4		\$ 5,873.10	\$ 487.34
102369	IA#2	4		\$ 5,873.10	\$ 487.34
102370	IA#2	4		\$ 5,873.10	\$ 487.34
102371	IA#2	4		\$ 5,873.10	\$ 487.34
102372	IA#2	4		\$ 5,873.10	\$ 487.34
102373	IA#2	4		\$ 5,873.10	\$ 487.34
102374	IA#2	4		\$ 5,873.10	\$ 487.34
102375	IA#2	4		\$ 5,873.10	\$ 487.34
102376	IA#2	4		\$ 5,873.10	\$ 487.34
102377	IA#2	4		\$ 5,873.10	\$ 487.34
102378	IA#2	4		\$ 5,873.10	\$ 487.34
102379	IA#2	4		\$ 5,873.10	\$ 487.34
102380	IA#2	4		\$ 5,873.10	\$ 487.34
102381	IA#2	4		\$ 5,873.10	\$ 487.34
102382	IA#2	3		\$ 5,486.52	\$ 455.27
102383	IA#2	3		\$ 5,486.52	\$ 455.27
102384	IA#2	3		\$ 5,486.52	\$ 455.27
102385	IA#2	3		\$ 5,486.52	\$ 455.27
102386	IA#2	3		\$ 5,486.52	\$ 455.27

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
102387	IA#2	3		\$ 5,486.52	\$ 455.27
102388	IA#2	3		\$ 5,486.52	\$ 455.27
102389	IA#2	3		\$ 5,486.52	\$ 455.27
102390	IA#2	3		\$ 5,486.52	\$ 455.27
102391	IA#2	3		\$ 5,486.52	\$ 455.27
102392	IA#2	3		\$ 5,486.52	\$ 455.27
102393	IA#2	3		\$ 5,486.52	\$ 455.27
102394	IA#2	3		\$ 5,486.52	\$ 455.27
102395	IA#2	3		\$ 5,486.52	\$ 455.27
102396	IA#2	3		\$ 5,486.52	\$ 455.27
102397	IA#2	3		\$ 5,486.52	\$ 455.27
102398	IA#2	3		\$ 5,486.52	\$ 455.27
102399	IA#2	3		\$ 5,486.52	\$ 455.27
102400	IA#2	3		\$ 5,486.52	\$ 455.27
102401	IA#2	3		\$ 5,486.52	\$ 455.27
102402	IA#2	3		\$ 5,486.52	\$ 455.27
102403	IA#2	3		\$ 5,486.52	\$ 455.27
102404	IA#2	3		\$ 5,486.52	\$ 455.27
102405	IA#2	3		\$ 5,486.52	\$ 455.27
102406	IA#2	3		\$ 5,486.52	\$ 455.27
102407	IA#2	3		\$ 5,486.52	\$ 455.27
102408	IA#2	Non-Benefited		\$ -	\$ -
102409	IA#2	4		\$ 5,873.10	\$ 487.34
102410	IA#2	4		\$ 5,873.10	\$ 487.34
102411	IA#2	4		\$ 5,873.10	\$ 487.34
102412	IA#2	4		\$ 5,873.10	\$ 487.34
102413	IA#2	4		\$ 5,873.10	\$ 487.34
102414	IA#2	4		\$ 5,873.10	\$ 487.34
102415	IA#2	4		\$ 5,873.10	\$ 487.34
102416	IA#2	4		\$ 5,873.10	\$ 487.34
102417	IA#2	4	[c]	\$ -	\$ -
102418	IA#2	4		\$ 5,873.10	\$ 487.34
102419	IA#2	4		\$ 5,873.10	\$ 487.34
102420	IA#2	4		\$ 5,873.10	\$ 487.34
102421	IA#2	4		\$ 5,873.10	\$ 487.34
102422	IA#2	4		\$ 5,873.10	\$ 487.34
102423	IA#2	4		\$ 5,873.10	\$ 487.34
102424	IA#2	4		\$ 5,873.10	\$ 487.34
102425	IA#2	4		\$ 5,873.10	\$ 487.34
102426	IA#2	4		\$ 5,873.10	\$ 487.34

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
102427	IA#2	4		\$ 5,873.10	\$ 487.34
102428	IA#2	Non-Benefited		\$ -	\$ -
102429	IA#2	4		\$ 5,873.10	\$ 487.34
102430	IA#2	4		\$ 5,873.10	\$ 487.34
102431	IA#2	4		\$ 5,873.10	\$ 487.34
102432	IA#2	4		\$ 5,873.10	\$ 487.34
102433	IA#2	4		\$ 5,873.10	\$ 487.34
102434	IA#2	4		\$ 5,873.10	\$ 487.34
102435	IA#2	4		\$ 5,873.10	\$ 487.34
102436	IA#2	4		\$ 5,873.10	\$ 487.34
102437	IA#2	4		\$ 5,873.10	\$ 487.34
102438	IA#2	4		\$ 5,873.10	\$ 487.34
102439	IA#2	4		\$ 5,873.10	\$ 487.34
102440	IA#2	4		\$ 5,873.10	\$ 487.34
102441	IA#2	4		\$ 5,873.10	\$ 487.34
102442	IA#2	4		\$ 5,873.10	\$ 487.34
102443	IA#2	4		\$ 5,873.10	\$ 487.34
102444	IA#2	4		\$ 5,873.10	\$ 487.34
102445	IA#2	4		\$ 5,873.10	\$ 487.34
102446	IA#2	4		\$ 5,873.10	\$ 487.34
102447	IA#2	4		\$ 5,873.10	\$ 487.34
102448	IA#2	4		\$ 5,873.10	\$ 487.34
102449	IA#2	4		\$ 5,873.10	\$ 487.34
102450	IA#2	4		\$ 5,873.10	\$ 487.34
102451	IA#2	4		\$ 5,873.10	\$ 487.34
102452	IA#2	4		\$ 5,873.10	\$ 487.34
102453	IA#2	4		\$ 5,873.10	\$ 487.34
102454	IA#2	Non-Benefited		\$ -	\$ -
102455	IA#2	Non-Benefited		\$ -	\$ -
102456	IA#2	Non-Benefited		\$ -	\$ -
102457	IA#2	3		\$ 5,486.52	\$ 455.27
102458	IA#2	3		\$ 5,486.52	\$ 455.27
102459	IA#2	Non-Benefited		\$ -	\$ -
102460	IA#2	4		\$ 5,873.10	\$ 487.34
102461	IA#2	4		\$ 5,873.10	\$ 487.34
102462	IA#2	4		\$ 5,873.10	\$ 487.34
102463	IA#2	4		\$ 5,873.10	\$ 487.34
102464	IA#2	4		\$ 5,873.10	\$ 487.34
102465	IA#2	4		\$ 5,873.10	\$ 487.34
102466	IA#2	4		\$ 5,873.10	\$ 487.34

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
102467	IA#2	4		\$ 5,873.10	\$ 487.34
102468	IA#2	3		\$ 5,486.52	\$ 455.27
102469	IA#2	3		\$ 5,486.52	\$ 455.27
102470	IA#2	3		\$ 5,486.52	\$ 455.27
102471	IA#2	3		\$ 5,486.52	\$ 455.27
102472	IA#2	3		\$ 5,486.52	\$ 455.27
102473	IA#2	3		\$ 5,486.52	\$ 455.27
102474	IA#2	3		\$ 5,486.52	\$ 455.27
102475	IA#2	3		\$ 5,486.52	\$ 455.27
102476	IA#2	3		\$ 5,486.52	\$ 455.27
102477	IA#2	3		\$ 5,486.52	\$ 455.27
102478	IA#2	3		\$ 5,486.52	\$ 455.27
102479	IA#2	3		\$ 5,486.52	\$ 455.27
102480	IA#2	3		\$ 5,486.52	\$ 455.27
102481	IA#2	3		\$ 5,486.52	\$ 455.27
102482	IA#2	3		\$ 5,486.52	\$ 455.27
102483	IA#2	Non-Benefited		\$ -	\$ -
105504	IA#2	4		\$ 5,873.10	\$ 487.34
105505	IA#2	4		\$ 5,873.10	\$ 487.34
105506	IA#2	4		\$ 5,873.10	\$ 487.34
105507	IA#2	4		\$ 5,873.10	\$ 487.34
105508	IA#2	4	[c]	\$ -	\$ -
105509	IA#2	4		\$ 5,873.10	\$ 487.34
105510	IA#2	4		\$ 5,873.10	\$ 487.34
105511	IA#2	4		\$ 5,873.10	\$ 487.34
105512	IA#2	4		\$ 5,873.10	\$ 487.34
105513	IA#2	4		\$ 5,873.10	\$ 487.34
105514	IA#2	4		\$ 5,873.10	\$ 487.34
105515	IA#2	4		\$ 5,873.10	\$ 487.34
105516	IA#2	4		\$ 5,873.10	\$ 487.34
105517	IA#2	4		\$ 5,873.10	\$ 487.34
105518	IA#2	4		\$ 5,873.10	\$ 487.34
105519	IA#2	4		\$ 5,873.10	\$ 487.34
105520	IA#2	4		\$ 5,873.10	\$ 487.34
105521	IA#2	4		\$ 5,873.10	\$ 487.34
105522	IA#2	Non-Benefited		\$ -	\$ -
105523	IA#2	3		\$ 5,486.52	\$ 455.27
105524	IA#2	3		\$ 5,486.52	\$ 455.27
105525	IA#2	3		\$ 5,486.52	\$ 455.27
105526	IA#2	3		\$ 5,486.52	\$ 455.27

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
105527	IA#2	3		\$ 5,486.52	\$ 455.27
105528	IA#2	3		\$ 5,486.52	\$ 455.27
105529	IA#2	3		\$ 5,486.52	\$ 455.27
105530	IA#2	3		\$ 5,486.52	\$ 455.27
105531	IA#2	3		\$ 5,486.52	\$ 455.27
105532	IA#2	4		\$ 5,873.10	\$ 487.34
105533	IA#2	3		\$ 5,486.52	\$ 455.27
105534	IA#2	3		\$ 5,486.52	\$ 455.27
105535	IA#2	3		\$ 5,486.52	\$ 455.27
105536	IA#2	3		\$ 5,486.52	\$ 455.27
105537	IA#2	3		\$ 5,486.52	\$ 455.27
105538	IA#2	3		\$ 5,486.52	\$ 455.27
105539	IA#2	3		\$ 5,486.52	\$ 455.27
105540	IA#2	3		\$ 5,486.52	\$ 455.27
105541	IA#2	3		\$ 5,486.52	\$ 455.27
105542	IA#2	3		\$ 5,486.52	\$ 455.27
105543	IA#2	3		\$ 5,486.52	\$ 455.27
105544	IA#2	3		\$ 5,486.52	\$ 455.27
105545	IA#2	3		\$ 5,486.52	\$ 455.27
105546	IA#2	3		\$ 5,486.52	\$ 455.27
105547	IA#2	3		\$ 5,486.52	\$ 455.27
105548	IA#2	3		\$ 5,486.52	\$ 455.27
105549	IA#2	3		\$ 5,486.52	\$ 455.27
105550	IA#2	3		\$ 5,486.52	\$ 455.27
105551	IA#2	3		\$ 5,486.52	\$ 455.27
105552	IA#2	3		\$ 5,486.52	\$ 455.27
105553	IA#2	3		\$ 5,486.52	\$ 455.27
105554	IA#2	3		\$ 5,486.52	\$ 455.27
105555	IA#2	3		\$ 5,486.52	\$ 455.27
105556	IA#2	3		\$ 5,486.52	\$ 455.27
105557	IA#2	3		\$ 5,486.52	\$ 455.27
105558	IA#2	3		\$ 5,486.52	\$ 455.27
105559	IA#2	3		\$ 5,486.52	\$ 455.27
105560	IA#2	3		\$ 5,486.52	\$ 455.27
105561	IA#2	3		\$ 5,486.52	\$ 455.27
105562	IA#2	4		\$ 5,873.10	\$ 487.34
105563	IA#2	4		\$ 5,873.10	\$ 487.34
105564	IA#2	4		\$ 5,873.10	\$ 487.34
105565	IA#2	4		\$ 5,873.10	\$ 487.34
105566	IA#2	4		\$ 5,873.10	\$ 487.34

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
105567	IA#2	4		\$ 5,873.10	\$ 487.34
105568	IA#2	4		\$ 5,873.10	\$ 487.34
105569	IA#2	4		\$ 5,873.10	\$ 487.34
105570	IA#2	4		\$ 5,873.10	\$ 487.34
105571	IA#2	4		\$ 5,873.10	\$ 487.34
105572	IA#2	4		\$ 5,873.10	\$ 487.34
105573	IA#2	4		\$ 5,873.10	\$ 487.34
105574	IA#2	4		\$ 5,873.10	\$ 487.34
105575	IA#2	4		\$ 5,873.10	\$ 487.34
105576	IA#2	4		\$ 5,873.10	\$ 487.34
105577	IA#2	4		\$ 5,873.10	\$ 487.34
105578	IA#2	4		\$ 5,873.10	\$ 487.34
105579	IA#2	4		\$ 5,873.10	\$ 487.34
105580	IA#2	4		\$ 5,873.10	\$ 487.34
105581	IA#2	4		\$ 5,873.10	\$ 487.34
105582	IA#2	4		\$ 5,873.10	\$ 487.34
105583	IA#2	4		\$ 5,873.10	\$ 487.34
105584	IA#2	4		\$ 5,873.10	\$ 487.34
105585	IA#2	Non-Benefited		\$ -	\$ -
105586	IA#2	3		\$ 5,486.52	\$ 455.27
105587	IA#2	3		\$ 5,486.52	\$ 455.27
105588	IA#2	3		\$ 5,486.52	\$ 455.27
105589	IA#2	3		\$ 5,486.52	\$ 455.27
105590	IA#2	3		\$ 5,486.52	\$ 455.27
105591	IA#2	3		\$ 5,486.52	\$ 455.27
105592	IA#2	3		\$ 5,486.52	\$ 455.27
105593	IA#2	3		\$ 5,486.52	\$ 455.27
105594	IA#2	3		\$ 5,486.52	\$ 455.27
105595	IA#2	3		\$ 5,486.52	\$ 455.27
105596	IA#2	3		\$ 5,486.52	\$ 455.27
105597	IA#2	3		\$ 5,486.52	\$ 455.27
105598	IA#2	3		\$ 5,486.52	\$ 455.27
105599	IA#2	3		\$ 5,486.52	\$ 455.27
105600	IA#2	3		\$ 5,486.52	\$ 455.27
105601	IA#2	3		\$ 5,486.52	\$ 455.27
105602	IA#2	3		\$ 5,486.52	\$ 455.27
105603	IA#2	3		\$ 5,486.52	\$ 455.27
105604	IA#2	3		\$ 5,486.52	\$ 455.27
105605	IA#2	3		\$ 5,486.52	\$ 455.27
105606	IA#2	3		\$ 5,486.52	\$ 455.27

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
105607	IA#2	4		\$ 5,873.10	\$ 487.34
105608	IA#2	4		\$ 5,873.10	\$ 487.34
105609	IA#2	4		\$ 5,873.10	\$ 487.34
105610	IA#2	4		\$ 5,873.10	\$ 487.34
105611	IA#2	4		\$ 5,873.10	\$ 487.34
105612	IA#2	4		\$ 5,873.10	\$ 487.34
105613	IA#2	4		\$ 5,873.10	\$ 487.34
105614	IA#2	4		\$ 5,873.10	\$ 487.34
105615	IA#2	4		\$ 5,873.10	\$ 487.34
105616	IA#2	4		\$ 5,873.10	\$ 487.34
105617	IA#2	4		\$ 5,873.10	\$ 487.34
105618	IA#2	4		\$ 5,873.10	\$ 487.34
105619	IA#2	4		\$ 5,873.10	\$ 487.34
105620	IA#2	4		\$ 5,873.10	\$ 487.34
105621	IA#2	4		\$ 5,873.10	\$ 487.34
105622	IA#2	4		\$ 5,873.10	\$ 487.34
105623	IA#2	4		\$ 5,873.10	\$ 487.34
105624	IA#2	4		\$ 5,873.10	\$ 487.34
105625	IA#2	4		\$ 5,873.10	\$ 487.34
105626	IA#2	4		\$ 5,873.10	\$ 487.34
105627	IA#2	4		\$ 5,873.10	\$ 487.34
105628	IA#2	Non-Benefited		\$ -	\$ -
105629	IA#2	Non-Benefited		\$ -	\$ -
105630	IA#2	Non-Benefited		\$ -	\$ -
105631	IA#2	3		\$ 5,486.52	\$ 455.27
105632	IA#2	3		\$ 5,486.52	\$ 455.27
105633	IA#2	3		\$ 5,486.52	\$ 455.27
105634	IA#2	3		\$ 5,486.52	\$ 455.27
105635	IA#2	3		\$ 5,486.52	\$ 455.27
105636	IA#2	3		\$ 5,486.52	\$ 455.27
105637	IA#2	3		\$ 5,486.52	\$ 455.27
105638	IA#2	3		\$ 5,486.52	\$ 455.27
105639	IA#2	3		\$ 5,486.52	\$ 455.27
105640	IA#2	3		\$ 5,486.52	\$ 455.27
105641	IA#2	3		\$ 5,486.52	\$ 455.27
105642	IA#2	3		\$ 5,486.52	\$ 455.27
105643	IA#2	3		\$ 5,486.52	\$ 455.27
105644	IA#2	3		\$ 5,486.52	\$ 455.27
105645	IA#2	3		\$ 5,486.52	\$ 455.27
105646	IA#2	3		\$ 5,486.52	\$ 455.27

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
105647	IA#2	Non-Benefited		\$ -	\$ -
105648	IA#2	3		\$ 5,486.52	\$ 455.27
105649	IA#2	3		\$ 5,486.52	\$ 455.27
105650	IA#2	3		\$ 5,486.52	\$ 455.27
105651	IA#2	3		\$ 5,486.52	\$ 455.27
105652	IA#2	3		\$ 5,486.52	\$ 455.27
105653	IA#2	3		\$ 5,486.52	\$ 455.27
105654	IA#2	3		\$ 5,486.52	\$ 455.27
105655	IA#2	3		\$ 5,486.52	\$ 455.27
105656	IA#2	3		\$ 5,486.52	\$ 455.27
105657	IA#2	3		\$ 5,486.52	\$ 455.27
105658	IA#2	3		\$ 5,486.52	\$ 455.27
105659	IA#2	3		\$ 5,486.52	\$ 455.27
105660	IA#2	3		\$ 5,486.52	\$ 455.27
105661	IA#2	3		\$ 5,486.52	\$ 455.27
105662	IA#2	3		\$ 5,486.52	\$ 455.27
105663	IA#2	3		\$ 5,486.52	\$ 455.27
105664	IA#2	3		\$ 5,486.52	\$ 455.27
105665	IA#2	3		\$ 5,486.52	\$ 455.27
105666	IA#2	3		\$ 5,486.52	\$ 455.27
105667	IA#2	3		\$ 5,486.52	\$ 455.27
105668	IA#2	3		\$ 5,486.52	\$ 455.27
105669	IA#2	3		\$ 5,486.52	\$ 455.27
105670	IA#2	3		\$ 5,486.52	\$ 455.27
105671	IA#2	3		\$ 5,486.52	\$ 455.27
105672	IA#2	3		\$ 5,486.52	\$ 455.27
105673	IA#2	3		\$ 5,486.52	\$ 455.27
105674	IA#2	3		\$ 5,486.52	\$ 455.27
105675	IA#2	3		\$ 5,486.52	\$ 455.27
105676	IA#2	3		\$ 5,486.52	\$ 455.27
105677	IA#2	3		\$ 5,486.52	\$ 455.27
105678	IA#2	3		\$ 5,486.52	\$ 455.27
105679	IA#2	3		\$ 5,486.52	\$ 455.27
105680	IA#2	3		\$ 5,486.52	\$ 455.27
105681	IA#2	3		\$ 5,486.52	\$ 455.27
105682	IA#2	3		\$ 5,486.52	\$ 455.27
105683	IA#2	3		\$ 5,486.52	\$ 455.27
105684	IA#2	3		\$ 5,486.52	\$ 455.27
105685	IA#2	3		\$ 5,486.52	\$ 455.27
105686	IA#2	3		\$ 5,486.52	\$ 455.27

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
105687	IA#2	3		\$ 5,486.52	\$ 455.27
105688	IA#2	3		\$ 5,486.52	\$ 455.27
105689	IA#2	3		\$ 5,486.52	\$ 455.27
105690	IA#2	3		\$ 5,486.52	\$ 455.27
105691	IA#2	3		\$ 5,486.52	\$ 455.27
105692	IA#2	3		\$ 5,486.52	\$ 455.27
105693	IA#2	3		\$ 5,486.52	\$ 455.27
105694	IA#2	4		\$ 5,873.10	\$ 487.34
105695	IA#2	3		\$ 5,486.52	\$ 455.27
105696	IA#2	3		\$ 5,486.52	\$ 455.27
105697	IA#2	3		\$ 5,486.52	\$ 455.27
105698	IA#2	3		\$ 5,486.52	\$ 455.27
105699	IA#2	3		\$ 5,486.52	\$ 455.27
105700	IA#2	3		\$ 5,486.52	\$ 455.27
105701	IA#2	3		\$ 5,486.52	\$ 455.27
105702	IA#2	3		\$ 5,486.52	\$ 455.27
105703	IA#2	3		\$ 5,486.52	\$ 455.27
105704	IA#2	3		\$ 5,486.52	\$ 455.27
105705	IA#2	3		\$ 5,486.52	\$ 455.27
105706	IA#2	3		\$ 5,486.52	\$ 455.27
105707	IA#2	3		\$ 5,486.52	\$ 455.27
105708	IA#2	Non-Benefited		\$ -	\$ -
105709	IA#2	Non-Benefited		\$ -	\$ -
105710	IA#2	Non-Benefited		\$ -	\$ -
105711	IA#2	Non-Benefited		\$ -	\$ -
105712	IA#2	3		\$ 5,486.52	\$ 455.27
105713	IA#2	3		\$ 5,486.52	\$ 455.27
105714	IA#2	3		\$ 5,486.52	\$ 455.27
105715	IA#2	3		\$ 5,486.52	\$ 455.27
105716	IA#2	3		\$ 5,486.52	\$ 455.27
105717	IA#2	3		\$ 5,486.52	\$ 455.27
105718	IA#2	3		\$ 5,486.52	\$ 455.27
105719	IA#2	3		\$ 5,486.52	\$ 455.27
105720	IA#2	3		\$ 5,486.52	\$ 455.27
105721	IA#2	3		\$ 5,486.52	\$ 455.27
105722	IA#2	3		\$ 5,486.52	\$ 455.27
105723	IA#2	3		\$ 5,486.52	\$ 455.27
105724	IA#2	3		\$ 5,486.52	\$ 455.27
105725	IA#2	3		\$ 5,486.52	\$ 455.27
105726	IA#2	3		\$ 5,486.52	\$ 455.27

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
105727	IA#2	3		\$ 5,486.52	\$ 455.27
105728	IA#2	3		\$ 5,486.52	\$ 455.27
105729	IA#2	3		\$ 5,486.52	\$ 455.27
105730	IA#2	3		\$ 5,486.52	\$ 455.27
105731	IA#2	3		\$ 5,486.52	\$ 455.27
105732	IA#2	Non-Benefited		\$ -	\$ -
105733	IA#2	3		\$ 5,486.52	\$ 455.27
105734	IA#2	3		\$ 5,486.52	\$ 455.27
105735	IA#2	3		\$ 5,486.52	\$ 455.27
105736	IA#2	3		\$ 5,486.52	\$ 455.27
105737	IA#2	3		\$ 5,486.52	\$ 455.27
105738	IA#2	3		\$ 5,486.52	\$ 455.27
105740	IA#2	3		\$ 5,486.52	\$ 455.27
97014	IA#3	Non-Benefited		\$ -	\$ -
330356	IA#3	7		\$ 6,102.88	\$ 506.41
330357	IA#3	7		\$ 6,102.88	\$ 506.41
330358	IA#3	7		\$ 6,102.88	\$ 506.41
330359	IA#3	7		\$ 6,102.88	\$ 506.41
330360	IA#3	7		\$ 6,102.88	\$ 506.41
330361	IA#3	7		\$ 6,102.88	\$ 506.41
330362	IA#3	7		\$ 6,102.88	\$ 506.41
330363	IA#3	7		\$ 6,102.88	\$ 506.41
330364	IA#3	7		\$ 6,102.88	\$ 506.41
330365	IA#3	7		\$ 6,102.88	\$ 506.41
330366	IA#3	7		\$ 6,102.88	\$ 506.41
330367	IA#3	7		\$ 6,102.88	\$ 506.41
330368	IA#3	7		\$ 6,102.88	\$ 506.41
330369	IA#3	7		\$ 6,102.88	\$ 506.41
330370	IA#3	7		\$ 6,102.88	\$ 506.41
330371	IA#3	7		\$ 6,102.88	\$ 506.41
330372	IA#3	7		\$ 6,102.88	\$ 506.41
330373	IA#3	7		\$ 6,102.88	\$ 506.41
330374	IA#3	7		\$ 6,102.88	\$ 506.41
330375	IA#3	7		\$ 6,102.88	\$ 506.41
330376	IA#3	7		\$ 6,102.88	\$ 506.41
330377	IA#3	7		\$ 6,102.88	\$ 506.41
330378	IA#3	7		\$ 6,102.88	\$ 506.41
330379	IA#3	7		\$ 6,102.88	\$ 506.41
330380	IA#3	7		\$ 6,102.88	\$ 506.41
330381	IA#3	7		\$ 6,102.88	\$ 506.41

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
330382	IA#3	7		\$ 6,102.88	\$ 506.41
330383	IA#3	7		\$ 6,102.88	\$ 506.41
330387	IA#3	6		\$ 5,424.79	\$ 450.15
330388	IA#3	6		\$ 5,424.79	\$ 450.15
330389	IA#3	6		\$ 5,424.79	\$ 450.15
330390	IA#3	6		\$ 5,424.79	\$ 450.15
330391	IA#3	6		\$ 5,424.79	\$ 450.15
330392	IA#3	6		\$ 5,424.79	\$ 450.15
330393	IA#3	6		\$ 5,424.79	\$ 450.15
330394	IA#3	6		\$ 5,424.79	\$ 450.15
330395	IA#3	6		\$ 5,424.79	\$ 450.15
330396	IA#3	6		\$ 5,424.79	\$ 450.15
330397	IA#3	6		\$ 5,424.79	\$ 450.15
330398	IA#3	6		\$ 5,424.79	\$ 450.15
330399	IA#3	6		\$ 5,424.79	\$ 450.15
330400	IA#3	6		\$ 5,424.79	\$ 450.15
330401	IA#3	6		\$ 5,424.79	\$ 450.15
330402	IA#3	6		\$ 5,424.79	\$ 450.15
330403	IA#3	6		\$ 5,424.79	\$ 450.15
330404	IA#3	6		\$ 5,424.79	\$ 450.15
330405	IA#3	6		\$ 5,424.79	\$ 450.15
330406	IA#3	6		\$ 5,424.79	\$ 450.15
330407	IA#3	6		\$ 5,424.79	\$ 450.15
330408	IA#3	6		\$ 5,424.79	\$ 450.15
330409	IA#3	6		\$ 5,424.79	\$ 450.15
330410	IA#3	6		\$ 5,424.79	\$ 450.15
330411	IA#3	6		\$ 5,424.79	\$ 450.15
330412	IA#3	6		\$ 5,424.79	\$ 450.15
330413	IA#3	6		\$ 5,424.79	\$ 450.15
330414	IA#3	6		\$ 5,424.79	\$ 450.15
330415	IA#3	6		\$ 5,424.79	\$ 450.15
330417	IA#3	5		\$ 4,746.69	\$ 393.88
330418	IA#3	5		\$ 4,746.69	\$ 393.88
330419	IA#3	5		\$ 4,746.69	\$ 393.88
330420	IA#3	5		\$ 4,746.69	\$ 393.88
330421	IA#3	5		\$ 4,746.69	\$ 393.88
330422	IA#3	5		\$ 4,746.69	\$ 393.88
330423	IA#3	5		\$ 4,746.69	\$ 393.88
330424	IA#3	5		\$ 4,746.69	\$ 393.88
330425	IA#3	5		\$ 4,746.69	\$ 393.88

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
330426	IA#3	5		\$ 4,746.69	\$ 393.88
330427	IA#3	5		\$ 4,746.69	\$ 393.88
330428	IA#3	5		\$ 4,746.69	\$ 393.88
330429	IA#3	5		\$ 4,746.69	\$ 393.88
330430	IA#3	5		\$ 4,746.69	\$ 393.88
330431	IA#3	5		\$ 4,746.69	\$ 393.88
330432	IA#3	5		\$ 4,746.69	\$ 393.88
330433	IA#3	5		\$ 4,746.69	\$ 393.88
330434	IA#3	5		\$ 4,746.69	\$ 393.88
330435	IA#3	5		\$ 4,746.69	\$ 393.88
330436	IA#3	5		\$ 4,746.69	\$ 393.88
330437	IA#3	5		\$ 4,746.69	\$ 393.88
330438	IA#3	5		\$ 4,746.69	\$ 393.88
330439	IA#3	5		\$ 4,746.69	\$ 393.88
330440	IA#3	5		\$ 4,746.69	\$ 393.88
330441	IA#3	5		\$ 4,746.69	\$ 393.88
330442	IA#3	5		\$ 4,746.69	\$ 393.88
330443	IA#3	5		\$ 4,746.69	\$ 393.88
330444	IA#3	5		\$ 4,746.69	\$ 393.88
330445	IA#3	5		\$ 4,746.69	\$ 393.88
330446	IA#3	5		\$ 4,746.69	\$ 393.88
330447	IA#3	5		\$ 4,746.69	\$ 393.88
330448	IA#3	5		\$ 4,746.69	\$ 393.88
330449	IA#3	5		\$ 4,746.69	\$ 393.88
330450	IA#3	5		\$ 4,746.69	\$ 393.88
330451	IA#3	5		\$ 4,746.69	\$ 393.88
330452	IA#3	5		\$ 4,746.69	\$ 393.88
330453	IA#3	5		\$ 4,746.69	\$ 393.88
330454	IA#3	5		\$ 4,746.69	\$ 393.88
330455	IA#3	5		\$ 4,746.69	\$ 393.88
330456	IA#3	5		\$ 4,746.69	\$ 393.88
330457	IA#3	5		\$ 4,746.69	\$ 393.88
330458	IA#3	5		\$ 4,746.69	\$ 393.88
330459	IA#3	5		\$ 4,746.69	\$ 393.88
330460	IA#3	5		\$ 4,746.69	\$ 393.88
330461	IA#3	5		\$ 4,746.69	\$ 393.88
330462	IA#3	5		\$ 4,746.69	\$ 393.88
330463	IA#3	5		\$ 4,746.69	\$ 393.88
330464	IA#3	5		\$ 4,746.69	\$ 393.88
330465	IA#3	5		\$ 4,746.69	\$ 393.88

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
330466	IA#3	5		\$ 4,746.69	\$ 393.88
330467	IA#3	5		\$ 4,746.69	\$ 393.88
330473	IA#3	5		\$ 4,746.69	\$ 393.88
330474	IA#3	5		\$ 4,746.69	\$ 393.88
330475	IA#3	5		\$ 4,746.69	\$ 393.88
330476	IA#3	5		\$ 4,746.69	\$ 393.88
330477	IA#3	5		\$ 4,746.69	\$ 393.88
330478	IA#3	5		\$ 4,746.69	\$ 393.88
330479	IA#3	5		\$ 4,746.69	\$ 393.88
330480	IA#3	5		\$ 4,746.69	\$ 393.88
330481	IA#3	5		\$ 4,746.69	\$ 393.88
330482	IA#3	5		\$ 4,746.69	\$ 393.88
330483	IA#3	5		\$ 4,746.69	\$ 393.88
330484	IA#3	5		\$ 4,746.69	\$ 393.88
330485	IA#3	5		\$ 4,746.69	\$ 393.88
330486	IA#3	5		\$ 4,746.69	\$ 393.88
330487	IA#3	5		\$ 4,746.69	\$ 393.88
330488	IA#3	5		\$ 4,746.69	\$ 393.88
330489	IA#3	5		\$ 4,746.69	\$ 393.88
330490	IA#3	5		\$ 4,746.69	\$ 393.88
330491	IA#3	5		\$ 4,746.69	\$ 393.88
330492	IA#3	5		\$ 4,746.69	\$ 393.88
330493	IA#3	5		\$ 4,746.69	\$ 393.88
330494	IA#3	5		\$ 4,746.69	\$ 393.88
330495	IA#3	5		\$ 4,746.69	\$ 393.88
330496	IA#3	5		\$ 4,746.69	\$ 393.88
330497	IA#3	5		\$ 4,746.69	\$ 393.88
330498	IA#3	5		\$ 4,746.69	\$ 393.88
330499	IA#3	5		\$ 4,746.69	\$ 393.88
330500	IA#3	5		\$ 4,746.69	\$ 393.88
330501	IA#3	5		\$ 4,746.69	\$ 393.88
330502	IA#3	5		\$ 4,746.69	\$ 393.88
330505	IA#3	7		\$ 6,102.88	\$ 506.41
330506	IA#3	7		\$ 6,102.88	\$ 506.41
330507	IA#3	7		\$ 6,102.88	\$ 506.41
330508	IA#3	7		\$ 6,102.88	\$ 506.41
330509	IA#3	7		\$ 6,102.88	\$ 506.41
330510	IA#3	7		\$ 6,102.88	\$ 506.41
330511	IA#3	7		\$ 6,102.88	\$ 506.41
330512	IA#3	7		\$ 6,102.88	\$ 506.41

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
330513	IA#3	7		\$ 6,102.88	\$ 506.41
330514	IA#3	7		\$ 6,102.88	\$ 506.41
330515	IA#3	7		\$ 6,102.88	\$ 506.41
330516	IA#3	6		\$ 5,424.79	\$ 450.15
330517	IA#3	6		\$ 5,424.79	\$ 450.15
330518	IA#3	6		\$ 5,424.79	\$ 450.15
330519	IA#3	6		\$ 5,424.79	\$ 450.15
330520	IA#3	6		\$ 5,424.79	\$ 450.15
330521	IA#3	6		\$ 5,424.79	\$ 450.15
330522	IA#3	6		\$ 5,424.79	\$ 450.15
330523	IA#3	6		\$ 5,424.79	\$ 450.15
330524	IA#3	6		\$ 5,424.79	\$ 450.15
330525	IA#3	6		\$ 5,424.79	\$ 450.15
330529	IA#3	6		\$ 5,424.79	\$ 450.15
330530	IA#3	6		\$ 5,424.79	\$ 450.15
330531	IA#3	6		\$ 5,424.79	\$ 450.15
330532	IA#3	6		\$ 5,424.79	\$ 450.15
330533	IA#3	6		\$ 5,424.79	\$ 450.15
330534	IA#3	6		\$ 5,424.79	\$ 450.15
330535	IA#3	6		\$ 5,424.79	\$ 450.15
330536	IA#3	6		\$ 5,424.79	\$ 450.15
330537	IA#3	6		\$ 5,424.79	\$ 450.15
330538	IA#3	6		\$ 5,424.79	\$ 450.15
330539	IA#3	6		\$ 5,424.79	\$ 450.15
330540	IA#3	6		\$ 5,424.79	\$ 450.15
330541	IA#3	6		\$ 5,424.79	\$ 450.15
330544	IA#3	7		\$ 6,102.88	\$ 506.41
330545	IA#3	7		\$ 6,102.88	\$ 506.41
330546	IA#3	7		\$ 6,102.88	\$ 506.41
330547	IA#3	7		\$ 6,102.88	\$ 506.41
330548	IA#3	7		\$ 6,102.88	\$ 506.41
330549	IA#3	7		\$ 6,102.88	\$ 506.41
330550	IA#3	7		\$ 6,102.88	\$ 506.41
330551	IA#3	7		\$ 6,102.88	\$ 506.41
330552	IA#3	7		\$ 6,102.88	\$ 506.41
330553	IA#3	7		\$ 6,102.88	\$ 506.41
330554	IA#3	7		\$ 6,102.88	\$ 506.41
330555	IA#3	7		\$ 6,102.88	\$ 506.41
330556	IA#3	7		\$ 6,102.88	\$ 506.41
330557	IA#3	7		\$ 6,102.88	\$ 506.41

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
330558	IA#3	7		\$ 6,102.88	\$ 506.41
330559	IA#3	7		\$ 6,102.88	\$ 506.41
330560	IA#3	7		\$ 6,102.88	\$ 506.41
330561	IA#3	7		\$ 6,102.88	\$ 506.41
330562	IA#3	7		\$ 6,102.88	\$ 506.41
330563	IA#3	7		\$ 6,102.88	\$ 506.41
330564	IA#3	7		\$ 6,102.88	\$ 506.41
330565	IA#3	7		\$ 6,102.88	\$ 506.41
330566	IA#3	7		\$ 6,102.88	\$ 506.41
330567	IA#3	7		\$ 6,102.88	\$ 506.41
330568	IA#3	7		\$ 6,102.88	\$ 506.41
330569	IA#3	7		\$ 6,102.88	\$ 506.41
330570	IA#3	7		\$ 6,102.88	\$ 506.41
330571	IA#3	7		\$ 6,102.88	\$ 506.41
330572	IA#3	7		\$ 6,102.88	\$ 506.41
330573	IA#3	7		\$ 6,102.88	\$ 506.41
330574	IA#3	7		\$ 6,102.88	\$ 506.41
330575	IA#3	7		\$ 6,102.88	\$ 506.41
330576	IA#3	7		\$ 6,102.88	\$ 506.41
330577	IA#3	7		\$ 6,102.88	\$ 506.41
330578	IA#3	7		\$ 6,102.88	\$ 506.41
330579	IA#3	7		\$ 6,102.88	\$ 506.41
330580	IA#3	7		\$ 6,102.88	\$ 506.41
330581	IA#3	7		\$ 6,102.88	\$ 506.41
330582	IA#3	7		\$ 6,102.88	\$ 506.41
330583	IA#3	7		\$ 6,102.88	\$ 506.41
330584	IA#3	7		\$ 6,102.88	\$ 506.41
330585	IA#3	7		\$ 6,102.88	\$ 506.41
330586	IA#3	7		\$ 6,102.88	\$ 506.41
330587	IA#3	7		\$ 6,102.88	\$ 506.41
330588	IA#3	7		\$ 6,102.88	\$ 506.41
330589	IA#3	7		\$ 6,102.88	\$ 506.41
330590	IA#3	7		\$ 6,102.88	\$ 506.41
330591	IA#3	7		\$ 6,102.88	\$ 506.41
330592	IA#3	7		\$ 6,102.88	\$ 506.41
330593	IA#3	7		\$ 6,102.88	\$ 506.41
330594	IA#3	7		\$ 6,102.88	\$ 506.41
330595	IA#3	7		\$ 6,102.88	\$ 506.41
330596	IA#3	6		\$ 5,424.79	\$ 450.15
330597	IA#3	6		\$ 5,424.79	\$ 450.15

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
330598	IA#3	6		\$ 5,424.79	\$ 450.15
330599	IA#3	6		\$ 5,424.79	\$ 450.15
330600	IA#3	6		\$ 5,424.79	\$ 450.15
330601	IA#3	6		\$ 5,424.79	\$ 450.15
330602	IA#3	6		\$ 5,424.79	\$ 450.15
330603	IA#3	6		\$ 5,424.79	\$ 450.15
330604	IA#3	6		\$ 5,424.79	\$ 450.15
330605	IA#3	6		\$ 5,424.79	\$ 450.15
330606	IA#3	6		\$ 5,424.79	\$ 450.15
330607	IA#3	6		\$ 5,424.79	\$ 450.15
330608	IA#3	6		\$ 5,424.79	\$ 450.15
330609	IA#3	6		\$ 5,424.79	\$ 450.15
330610	IA#3	6		\$ 5,424.79	\$ 450.15
330611	IA#3	6		\$ 5,424.79	\$ 450.15
330612	IA#3	6		\$ 5,424.79	\$ 450.15
330613	IA#3	6		\$ 5,424.79	\$ 450.15
330614	IA#3	6		\$ 5,424.79	\$ 450.15
330615	IA#3	6		\$ 5,424.79	\$ 450.15
330616	IA#3	6		\$ 5,424.79	\$ 450.15
330617	IA#3	6		\$ 5,424.79	\$ 450.15
330618	IA#3	6		\$ 5,424.79	\$ 450.15
330619	IA#3	6		\$ 5,424.79	\$ 450.15
330620	IA#3	6		\$ 5,424.79	\$ 450.15
330621	IA#3	6		\$ 5,424.79	\$ 450.15
330622	IA#3	6		\$ 5,424.79	\$ 450.15
330623	IA#3	6		\$ 5,424.79	\$ 450.15
330624	IA#3	6		\$ 5,424.79	\$ 450.15
330625	IA#3	6		\$ 5,424.79	\$ 450.15
330626	IA#3	6		\$ 5,424.79	\$ 450.15
330627	IA#3	7		\$ 6,102.88	\$ 506.41
330628	IA#3	7		\$ 6,102.88	\$ 506.41
330629	IA#3	7		\$ 6,102.88	\$ 506.41
330630	IA#3	7		\$ 6,102.88	\$ 506.41
330631	IA#3	7		\$ 6,102.88	\$ 506.41
330632	IA#3	7		\$ 6,102.88	\$ 506.41
330633	IA#3	7		\$ 6,102.88	\$ 506.41
330634	IA#3	7		\$ 6,102.88	\$ 506.41
330635	IA#3	7		\$ 6,102.88	\$ 506.41
330636	IA#3	7		\$ 6,102.88	\$ 506.41
330637	IA#3	7		\$ 6,102.88	\$ 506.41

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
330638	IA#3	7		\$ 6,102.88	\$ 506.41
330639	IA#3	7		\$ 6,102.88	\$ 506.41
330640	IA#3	7		\$ 6,102.88	\$ 506.41
330641	IA#3	7		\$ 6,102.88	\$ 506.41
330642	IA#3	7		\$ 6,102.88	\$ 506.41
330643	IA#3	7		\$ 6,102.88	\$ 506.41
330644	IA#3	7		\$ 6,102.88	\$ 506.41
330645	IA#3	7		\$ 6,102.88	\$ 506.41
330646	IA#3	7		\$ 6,102.88	\$ 506.41
330647	IA#3	7		\$ 6,102.88	\$ 506.41
330648	IA#3	7		\$ 6,102.88	\$ 506.41
330649	IA#3	7		\$ 6,102.88	\$ 506.41
330650	IA#3	7		\$ 6,102.88	\$ 506.41
330651	IA#3	7		\$ 6,102.88	\$ 506.41
330652	IA#3	7		\$ 6,102.88	\$ 506.41
330654	IA#3	6		\$ 5,424.79	\$ 450.15
330655	IA#3	6		\$ 5,424.79	\$ 450.15
330656	IA#3	6		\$ 5,424.79	\$ 450.15
330657	IA#3	6		\$ 5,424.79	\$ 450.15
330658	IA#3	6		\$ 5,424.79	\$ 450.15
330659	IA#3	6		\$ 5,424.79	\$ 450.15
330660	IA#3	6		\$ 5,424.79	\$ 450.15
330661	IA#3	6		\$ 5,424.79	\$ 450.15
330662	IA#3	6		\$ 5,424.79	\$ 450.15
330663	IA#3	6		\$ 5,424.79	\$ 450.15
330664	IA#3	6		\$ 5,424.79	\$ 450.15
330665	IA#3	6		\$ 5,424.79	\$ 450.15
330666	IA#3	6		\$ 5,424.79	\$ 450.15
330667	IA#3	6		\$ 5,424.79	\$ 450.15
330668	IA#3	6		\$ 5,424.79	\$ 450.15
330669	IA#3	6		\$ 5,424.79	\$ 450.15
330670	IA#3	6		\$ 5,424.79	\$ 450.15
330671	IA#3	6		\$ 5,424.79	\$ 450.15
330672	IA#3	6		\$ 5,424.79	\$ 450.15
330673	IA#3	6		\$ 5,424.79	\$ 450.15
330674	IA#3	6		\$ 5,424.79	\$ 450.15
330675	IA#3	6		\$ 5,424.79	\$ 450.15
330676	IA#3	6		\$ 5,424.79	\$ 450.15
330677	IA#3	6		\$ 5,424.79	\$ 450.15
330678	IA#3	6		\$ 5,424.79	\$ 450.15

Property ID	Improvement Area	Lot Type	Note	Major Improvement Area Bonds ^[a]	
				Outstanding Assesment	Annual Installment due 1/31/2025 ^[b]
330679	IA#3	6		\$ 5,424.79	\$ 450.15
330680	IA#3	6		\$ 5,424.79	\$ 450.15
330681	IA#3	6		\$ 5,424.79	\$ 450.15
330682	IA#3	6		\$ 5,424.79	\$ 450.15
330683	IA#3	6		\$ 5,424.79	\$ 450.15
330684	IA#3	6		\$ 5,424.79	\$ 450.15
330685	IA#3	6		\$ 5,424.79	\$ 450.15
330686	IA#3	6		\$ 5,424.79	\$ 450.15
330687	IA#3	6		\$ 5,424.79	\$ 450.15
330688	IA#3	6		\$ 5,424.79	\$ 450.15
330689	IA#3	6		\$ 5,424.79	\$ 450.15
330690	IA#3	6		\$ 5,424.79	\$ 450.15
330691	IA#3	6		\$ 5,424.79	\$ 450.15
330692	IA#3	6		\$ 5,424.79	\$ 450.15
330693	IA#3	6		\$ 5,424.79	\$ 450.15
330694	IA#3	6		\$ 5,424.79	\$ 450.15
330695	IA#3	6		\$ 5,424.79	\$ 450.15
330696	IA#3	6		\$ 5,424.79	\$ 450.15
330697	IA#3	6		\$ 5,424.79	\$ 450.15
330542	IA#3	Non-Benefited		\$ -	\$ -
330543	IA#3	Non-Benefited		\$ -	\$ -
330470	IA#3	Non-Benefited		\$ -	\$ -
330471	IA#3	Non-Benefited		\$ -	\$ -
330472	IA#3	Non-Benefited		\$ -	\$ -
330385	IA#3	Non-Benefited		\$ -	\$ -
330698	IA#3	Non-Benefited		\$ -	\$ -
330468	IA#3	Non-Benefited		\$ -	\$ -
330469	IA#3	Non-Benefited		\$ -	\$ -
330503	IA#3	Non-Benefited		\$ -	\$ -
330504	IA#3	Non-Benefited		\$ -	\$ -
330653	IA#3	Non-Benefited		\$ -	\$ -
330526	IA#3	Non-Benefited		\$ -	\$ -
330527	IA#3	Non-Benefited		\$ -	\$ -
330384	IA#3	Non-Benefited		\$ -	\$ -
330416	IA#3	Non-Benefited		\$ -	\$ -
330386	IA#3	Non-Benefited		\$ -	\$ -
12863	IA#4	IA #4 Initial Parcel		\$ 782,731.35	\$ 64,950.54
Total^[d]				\$ 4,553,255.29	\$ 377,826.26

Footnotes:

[a] Represents Major Improvement Area Bonds attributable to Improvement Area #2, Improvement Area #3, and Improvement Area #4. Lots within the Major Improvement Area have also been allocated a portion of the Improvement Area #2, Improvement Area #3, or Improvement Area #4 Assessment. See Exhibit F-1 for the Improvement Area #2 Assessment Roll, Exhibit G-1 for the Improvement Area #3 Assessment Roll, and Exhibit H-1 for the Improvement Area #4 Assessment Roll.

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

[c] Property has prepaid their Assessment in full.

[d] Totals may not match Service Plan or Installment schedules due to rounding and/or Prepayments.

EXHIBIT I-2 – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

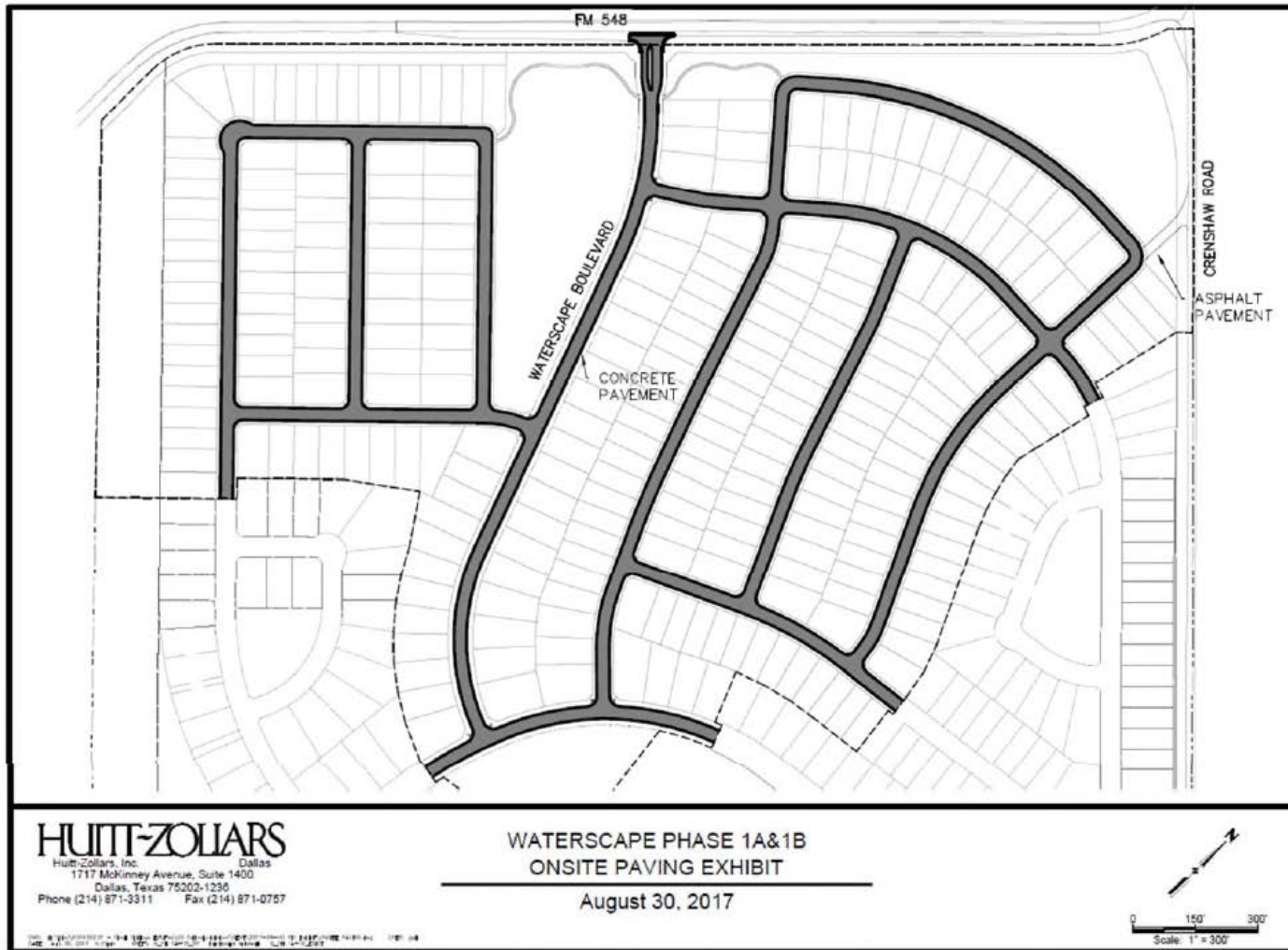
Installments Due 1/31	Major Improvement Area Bonds ¹			Annual Collection Costs	Total Installment
	Principal	Interest ²	Additional Interest		
2025	\$ 100,000.00	\$ 237,512.50	\$ 22,825.00	\$ 18,415.76	\$ 378,753.26
2026	\$ 105,000.00	\$ 232,762.50	\$ 22,325.00	\$ 18,784.08	\$ 378,871.58
2027	\$ 110,000.00	\$ 227,775.00	\$ 21,800.00	\$ 19,159.76	\$ 378,734.76
2028	\$ 115,000.00	\$ 222,550.00	\$ 21,250.00	\$ 19,542.95	\$ 378,342.95
2029	\$ 120,000.00	\$ 217,087.50	\$ 20,675.00	\$ 19,933.81	\$ 377,696.31
2030	\$ 125,000.00	\$ 210,787.50	\$ 20,075.00	\$ 20,332.49	\$ 376,194.99
2031	\$ 135,000.00	\$ 204,225.00	\$ 19,450.00	\$ 20,739.14	\$ 379,414.14
2032	\$ 140,000.00	\$ 197,137.50	\$ 18,775.00	\$ 21,153.92	\$ 377,066.42
2033	\$ 150,000.00	\$ 189,787.50	\$ 18,075.00	\$ 21,577.00	\$ 379,439.50
2034	\$ 155,000.00	\$ 181,912.50	\$ 17,325.00	\$ 22,008.54	\$ 376,246.04
2035	\$ 165,000.00	\$ 173,775.00	\$ 16,550.00	\$ 22,448.71	\$ 377,773.71
2036	\$ 175,000.00	\$ 165,112.50	\$ 15,725.00	\$ 22,897.68	\$ 378,735.18
2037	\$ 185,000.00	\$ 155,925.00	\$ 14,850.00	\$ 23,355.64	\$ 379,130.64
2038	\$ 190,000.00	\$ 146,212.50	\$ 13,925.00	\$ 23,822.75	\$ 373,960.25
2039	\$ 205,000.00	\$ 136,237.50	\$ 12,975.00	\$ 24,299.20	\$ 378,511.70
2040	\$ 215,000.00	\$ 125,475.00	\$ 11,950.00	\$ 24,785.19	\$ 377,210.19
2041	\$ 225,000.00	\$ 114,187.50	\$ 10,875.00	\$ 25,280.89	\$ 375,343.39
2042	\$ 240,000.00	\$ 102,375.00	\$ 9,750.00	\$ 25,786.51	\$ 377,911.51
2043	\$ 250,000.00	\$ 89,775.00	\$ 8,550.00	\$ 26,302.24	\$ 374,627.24
2044	\$ 265,000.00	\$ 76,650.00	\$ 7,300.00	\$ 26,828.28	\$ 375,778.28
2045	\$ 280,000.00	\$ 62,737.50	\$ 5,975.00	\$ 27,364.85	\$ 376,077.35
2046	\$ 290,000.00	\$ 48,037.50	\$ 4,575.00	\$ 27,912.15	\$ 370,524.65
2047	\$ 305,000.00	\$ 32,812.50	\$ 3,125.00	\$ 28,470.39	\$ 369,407.89
2048	\$ 320,000.00	\$ 16,800.00	\$ 1,600.00	\$ 29,039.80	\$ 367,439.80
Total	\$ 4,565,000.00	\$ 3,567,650.00	\$ 340,300.00	\$ 560,241.72	\$ 9,033,191.72

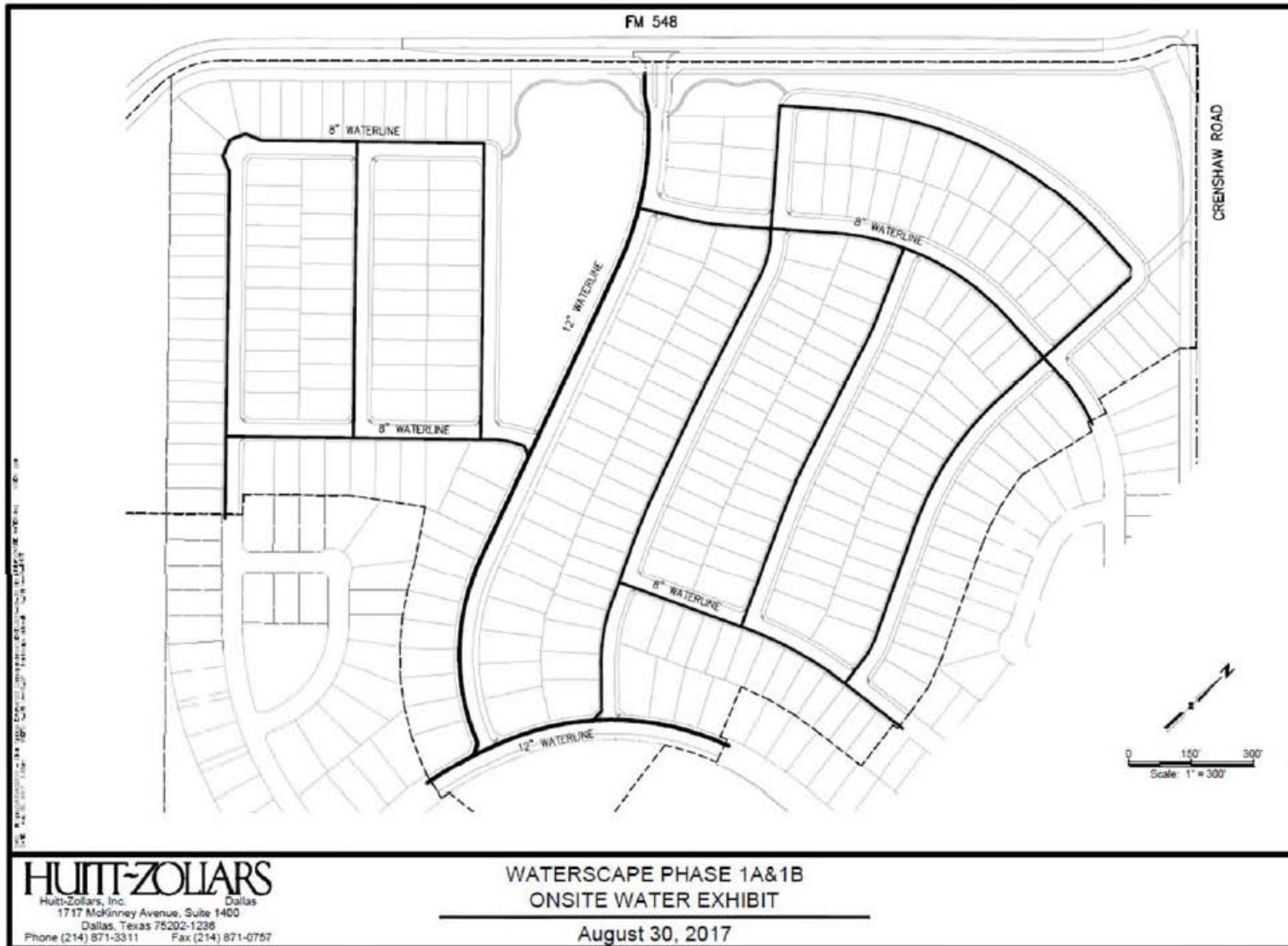
¹ Due to mandatory prepayment of \$112,280 of Major Improvement Area Assessment, Major Improvement Area Bonds in the amount of \$140,000 were redeemed 9/15/2022.

² Actual interest rate on Major Improvement Area Bonds is 4.75% for term bonds due September 15, 2028, and 5.25% for term bonds due September 15, 2048.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT J-1 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS





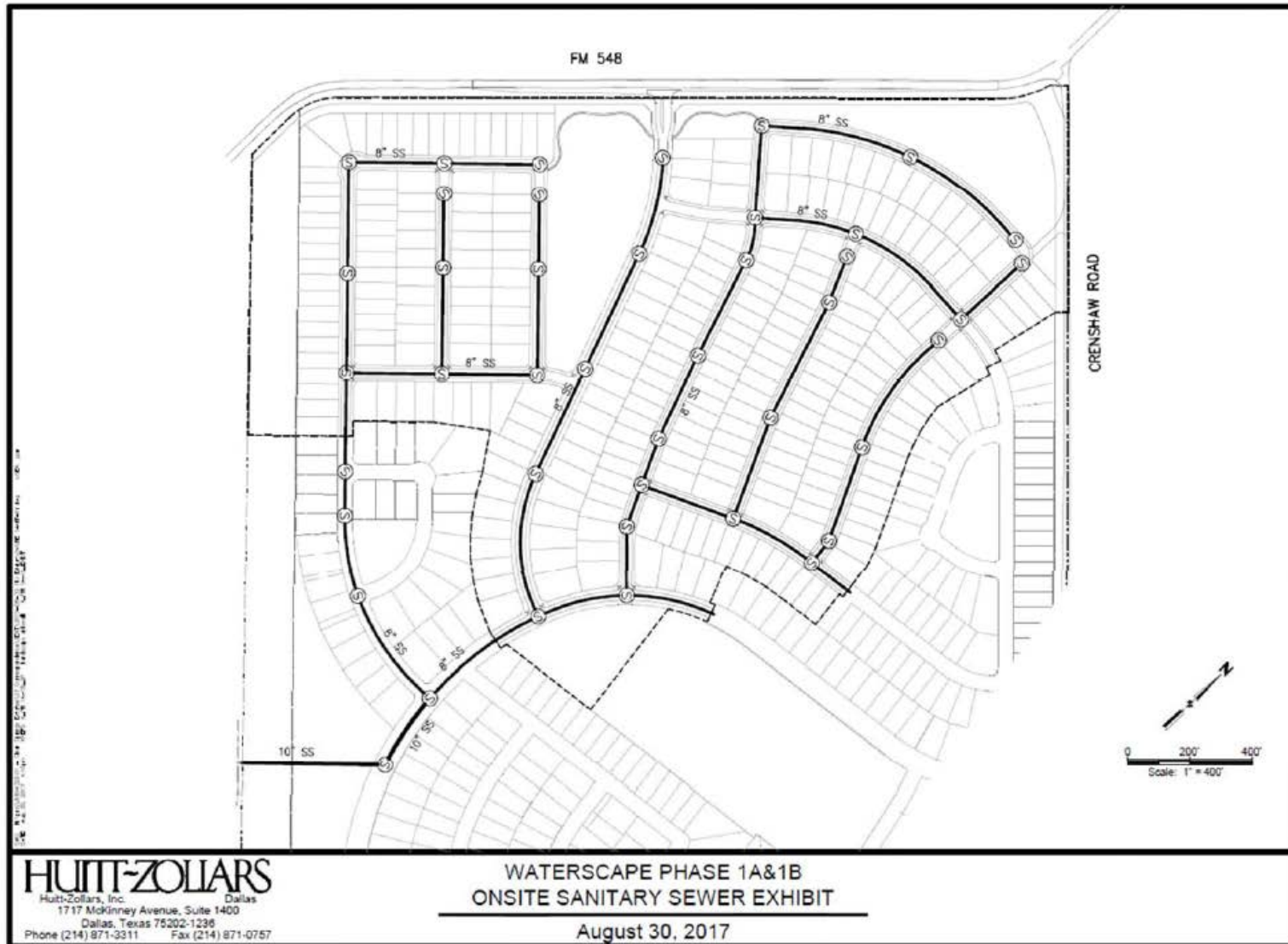
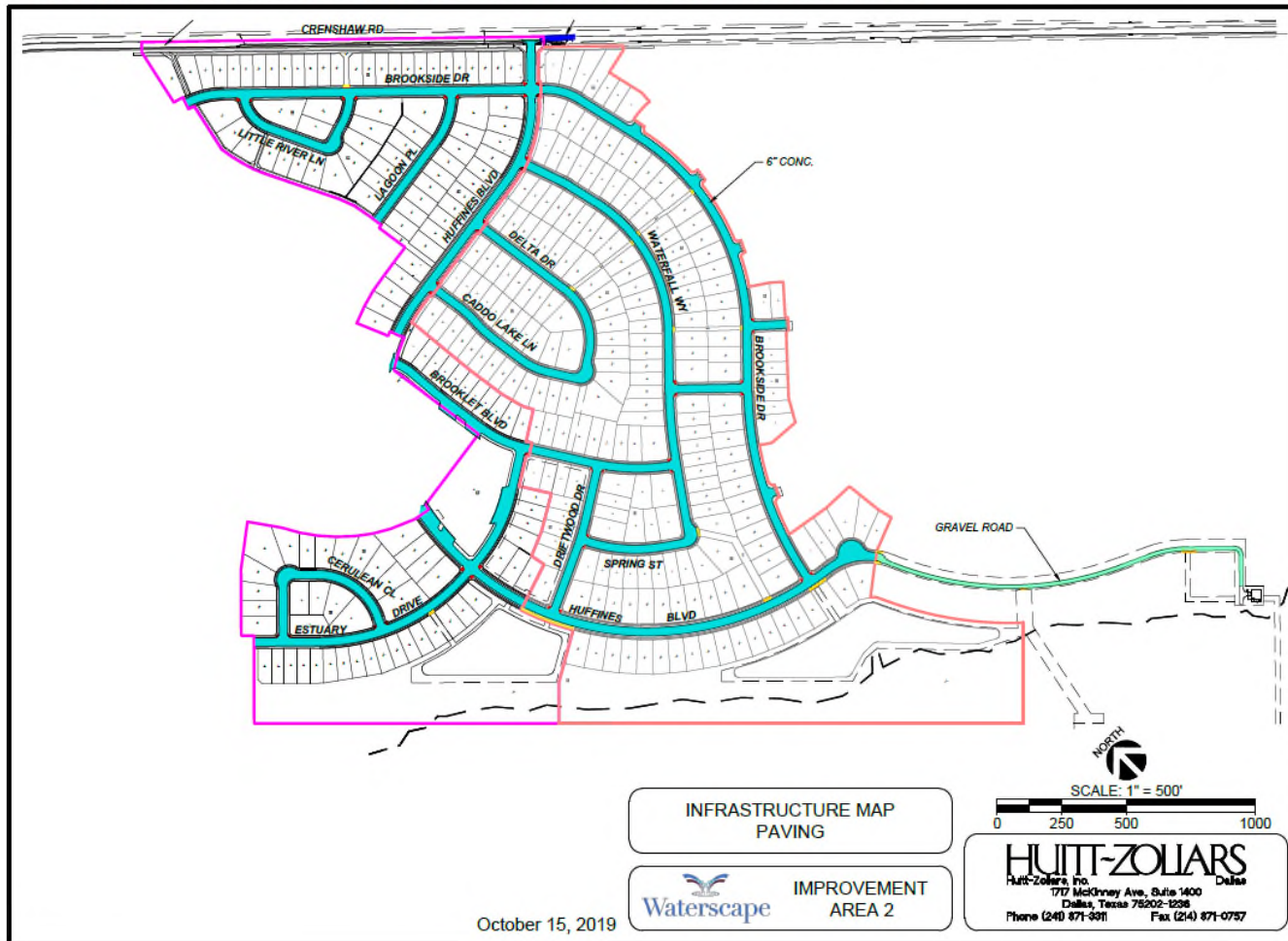
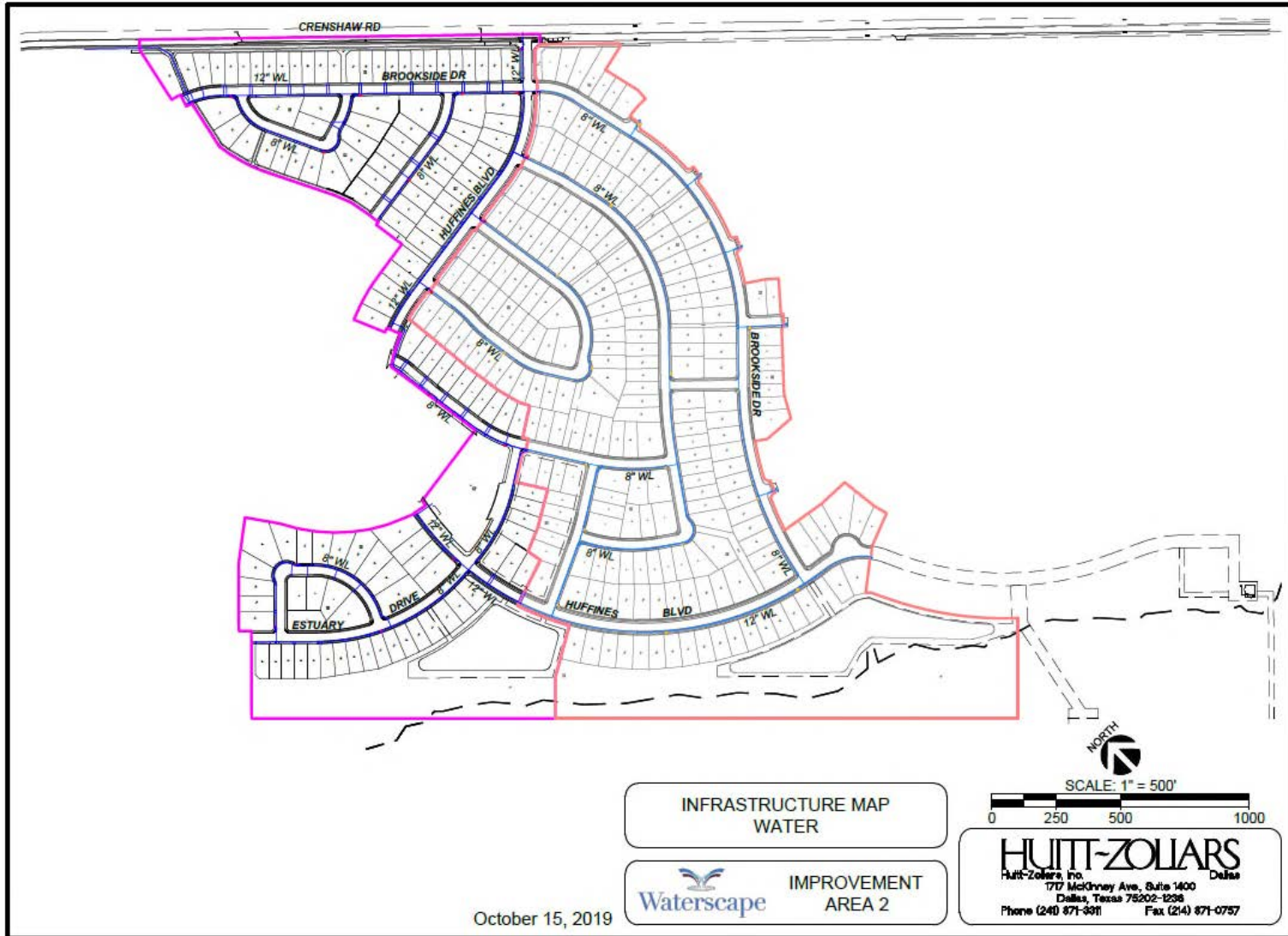


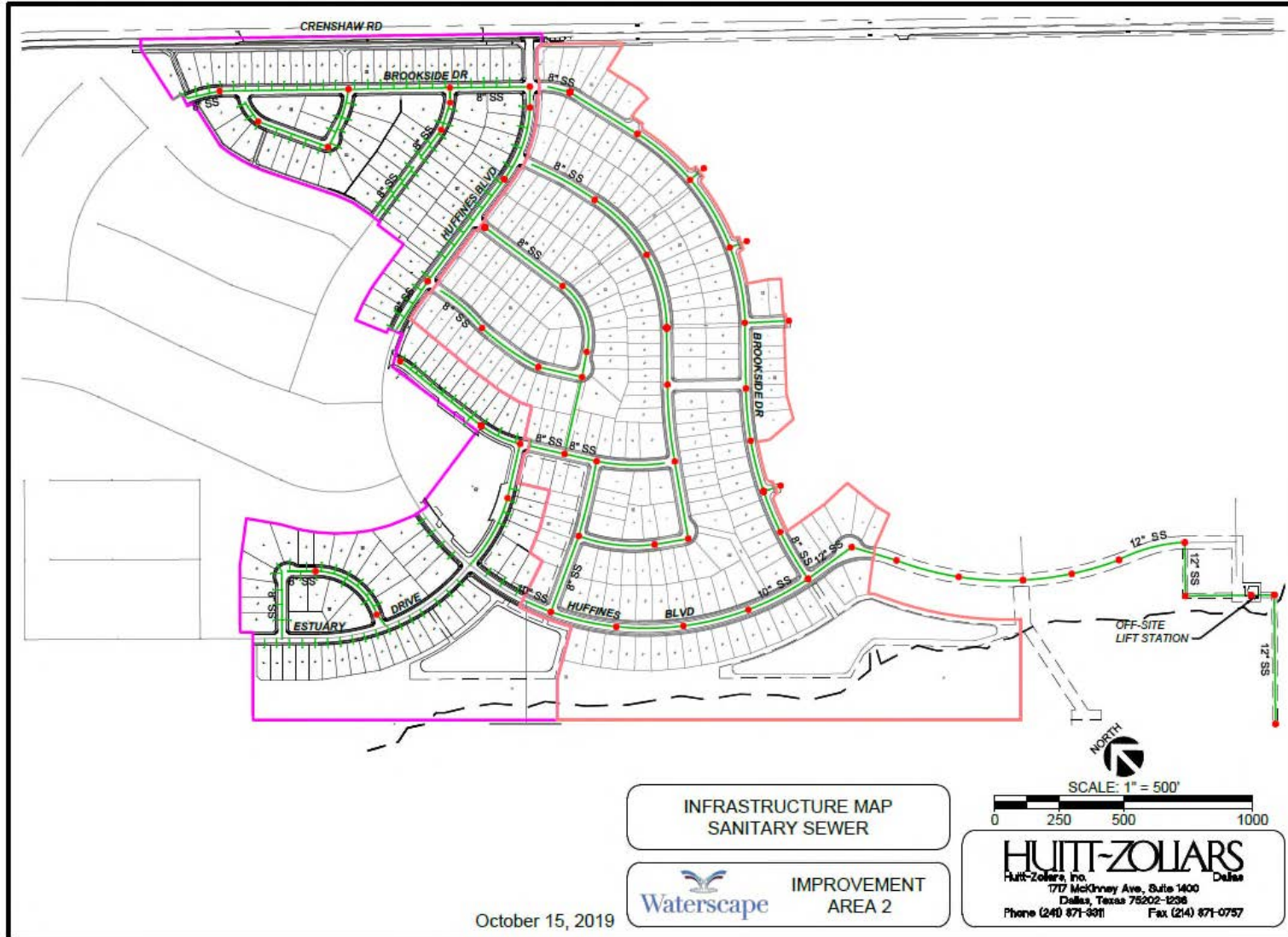


EXHIBIT J-2 – MAPS OF IMPROVEMENT AREA #2 IMPROVEMENTS

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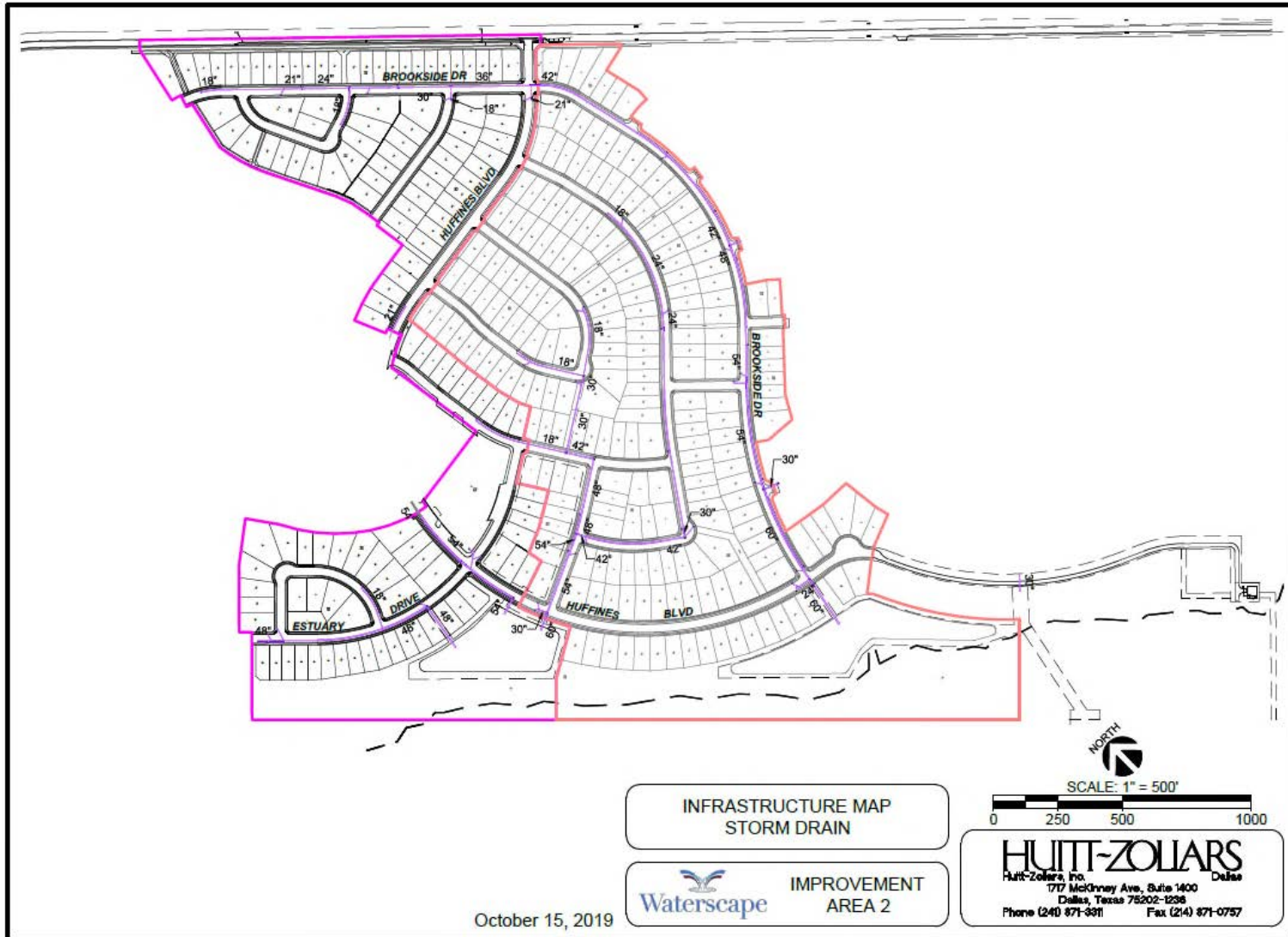
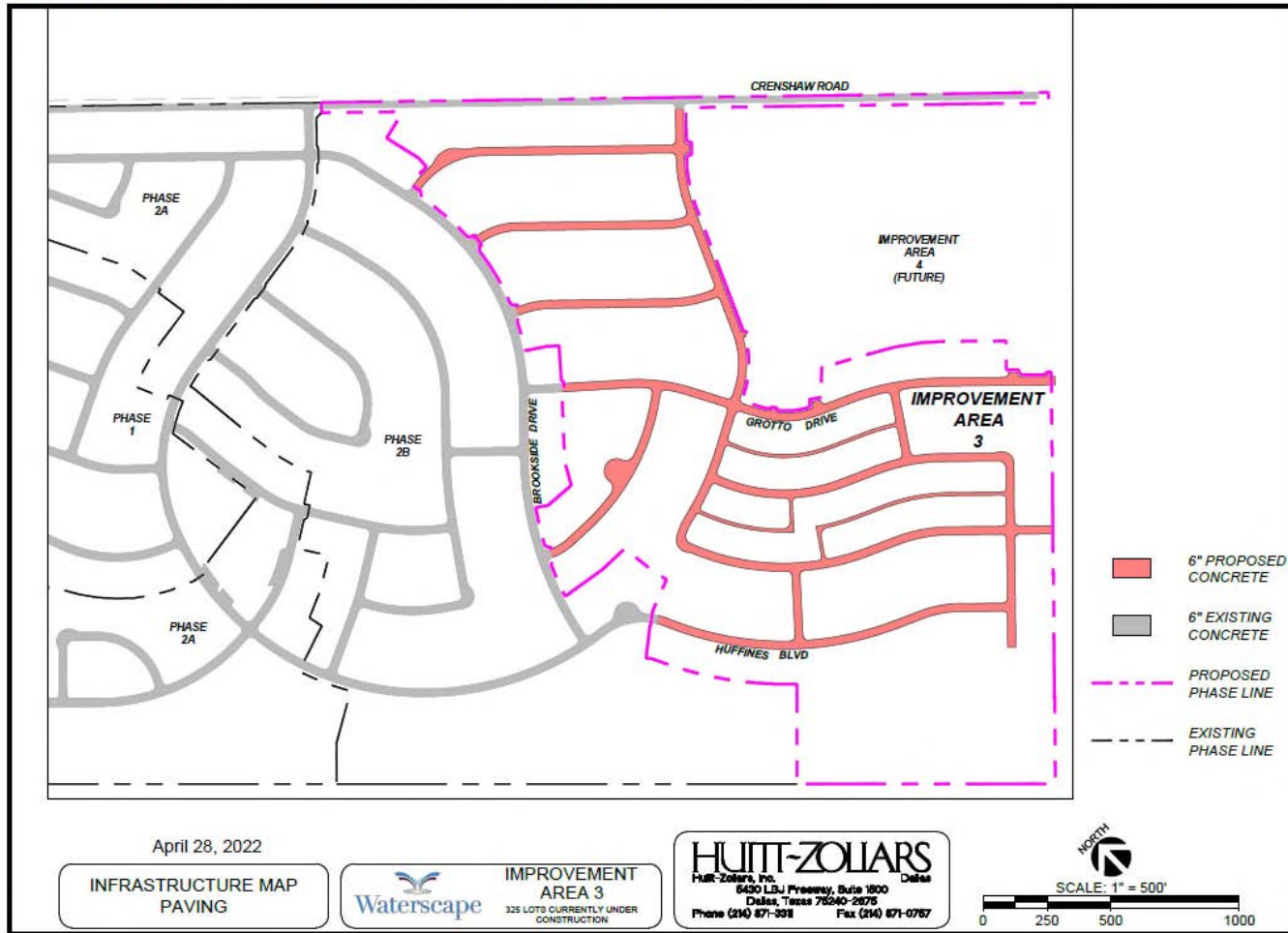
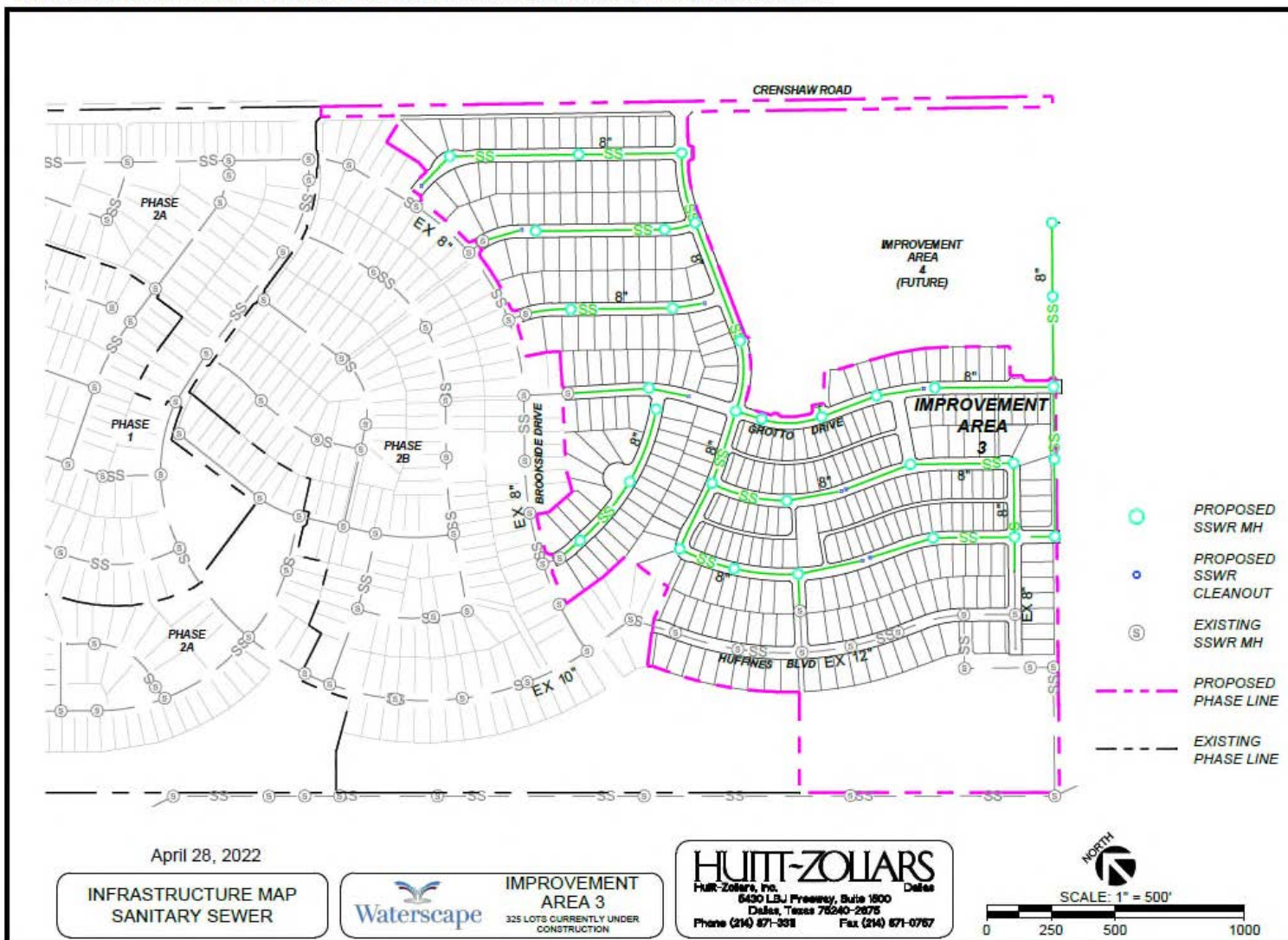
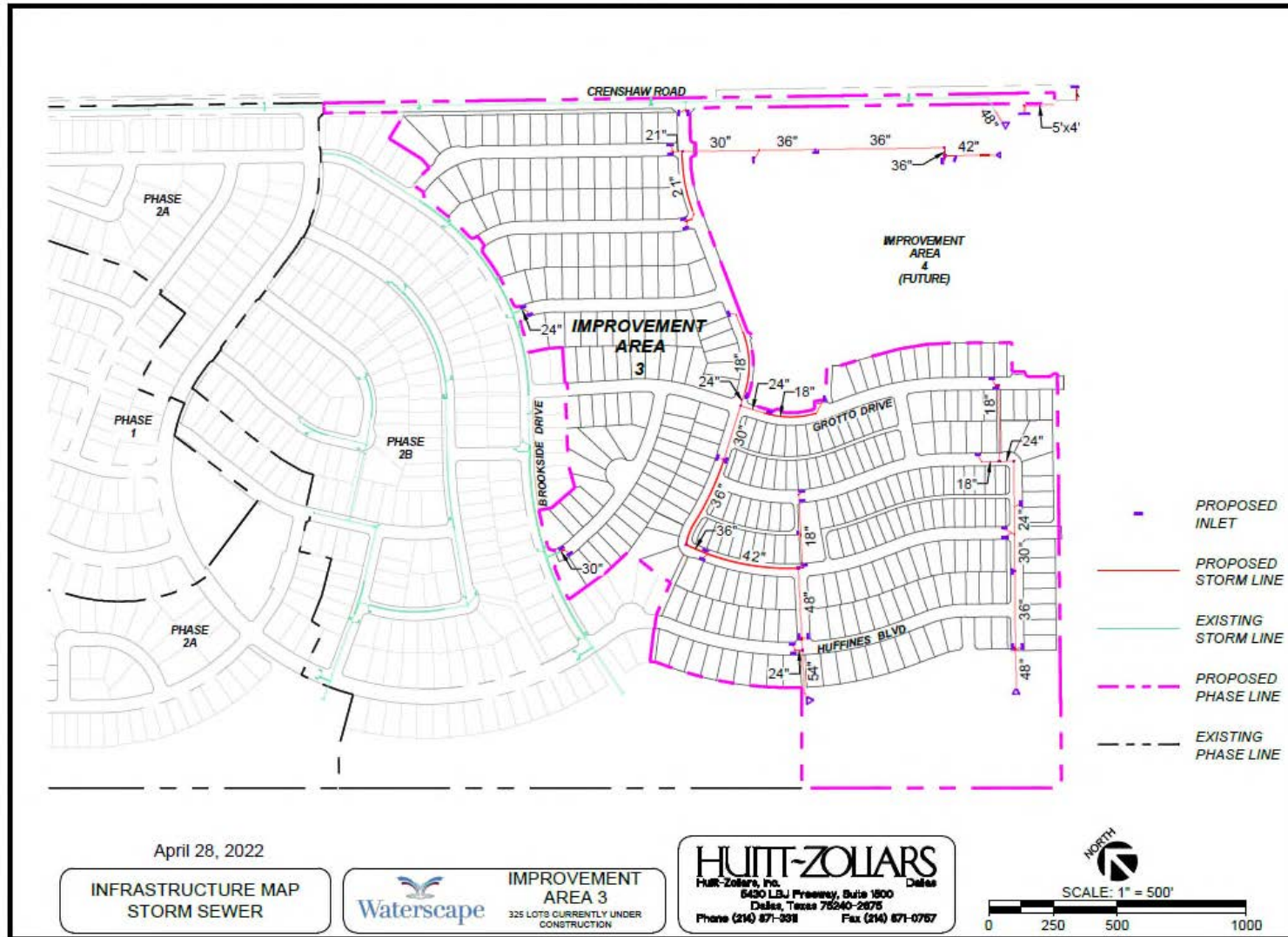


EXHIBIT J-3 – MAPS OF IMPROVEMENT AREA #3 IMPROVEMENTS

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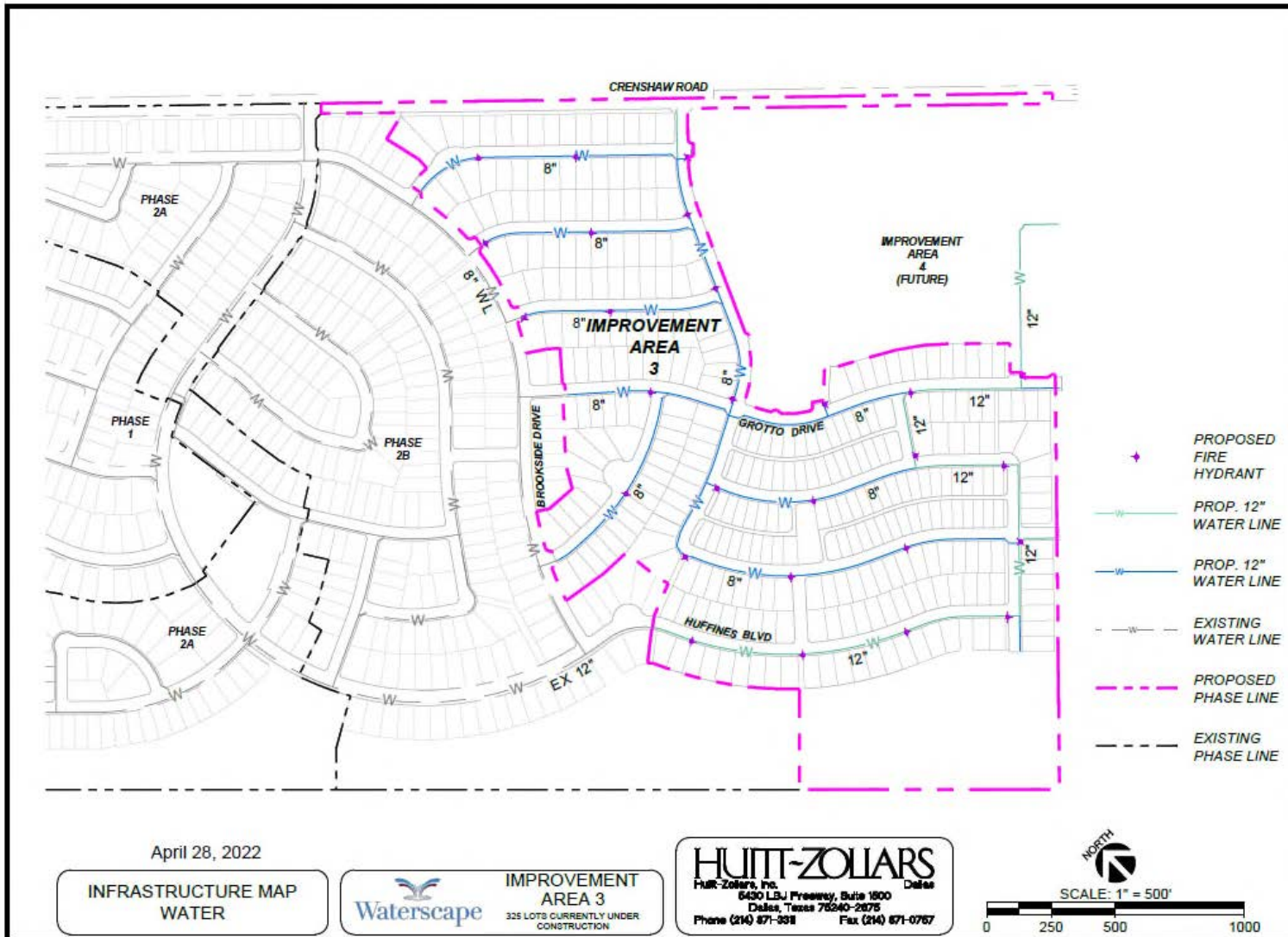
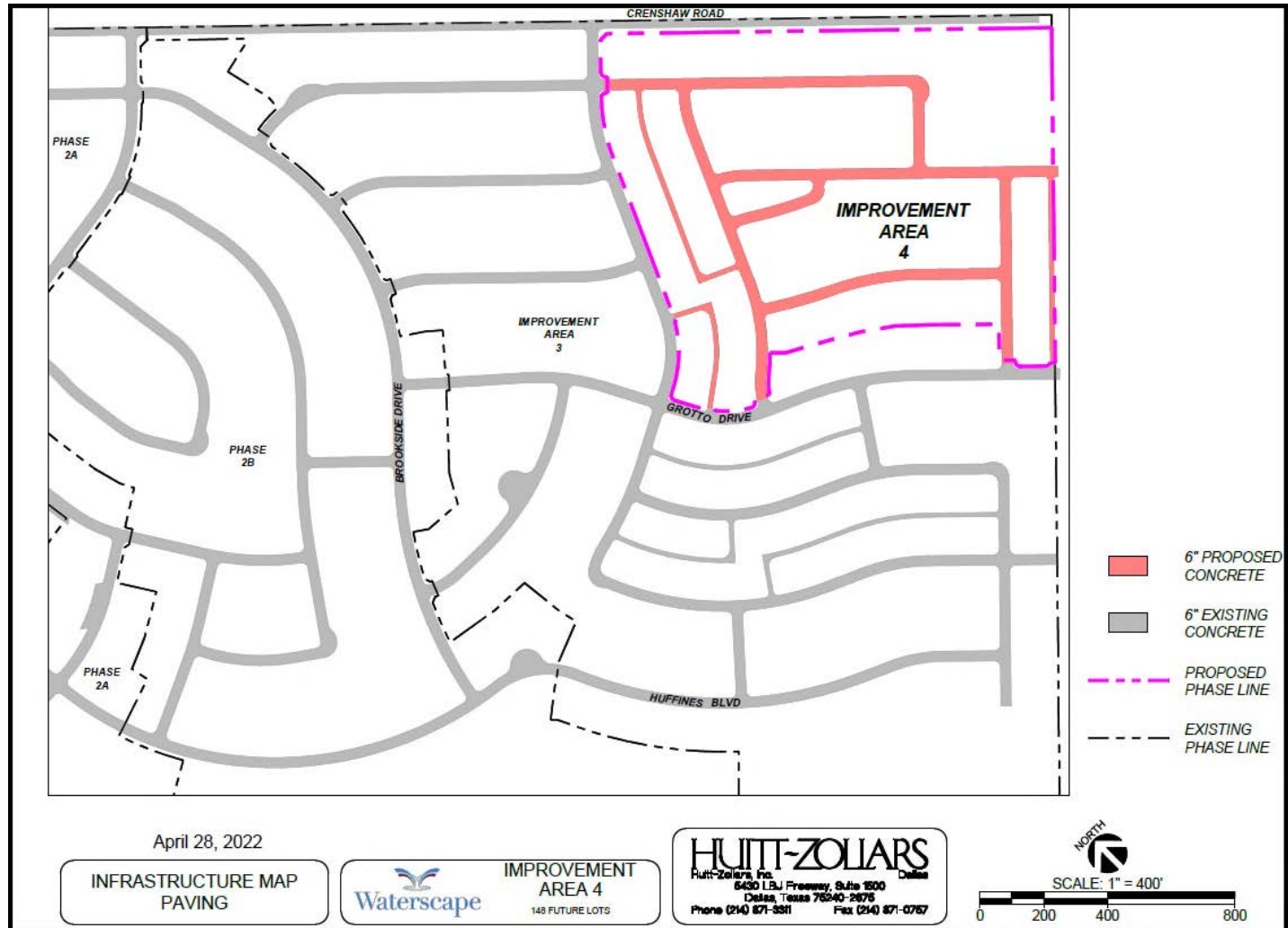
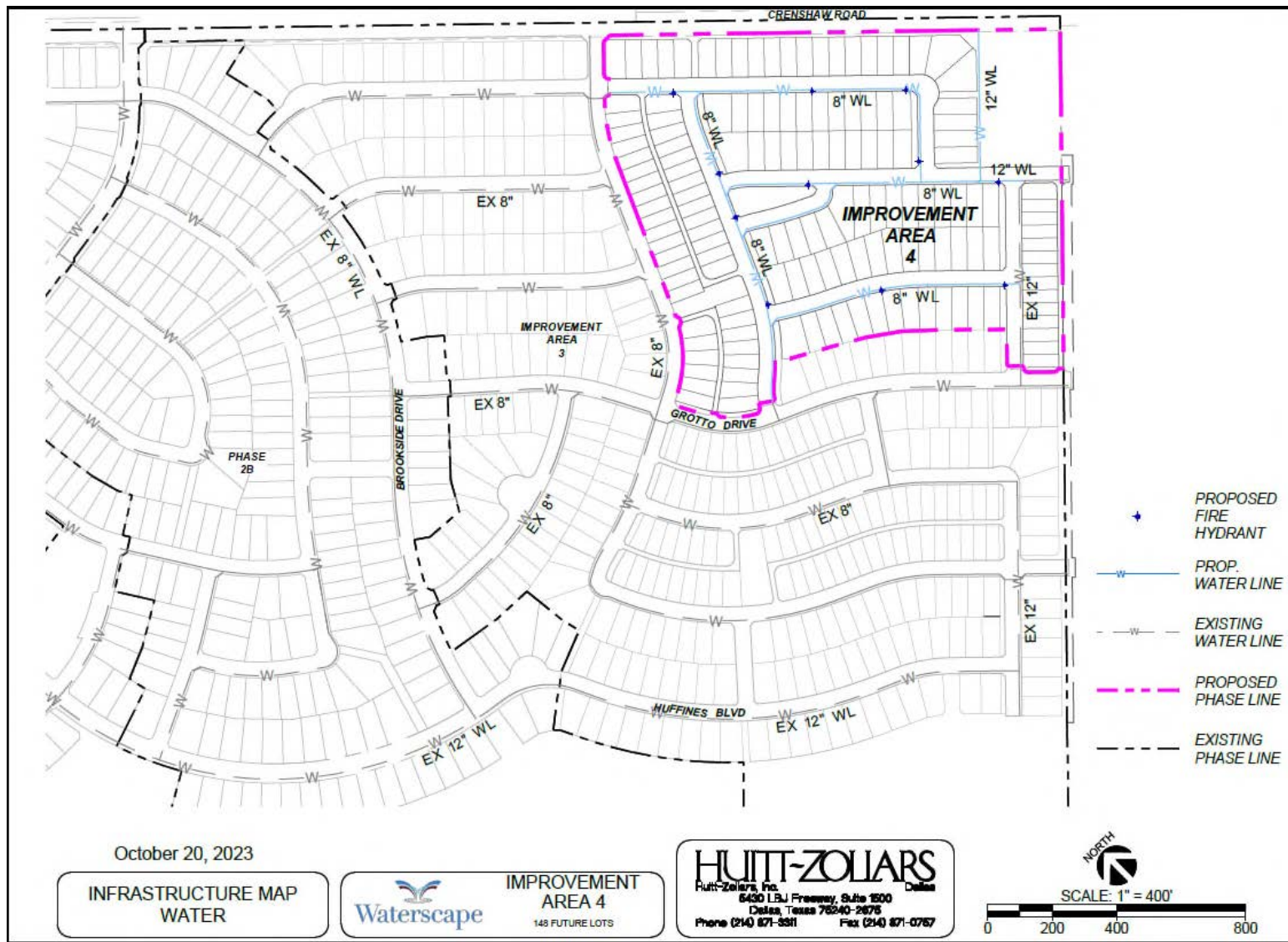


EXHIBIT J-4 – MAPS OF IMPROVEMENT AREA #4 IMPROVEMENTS





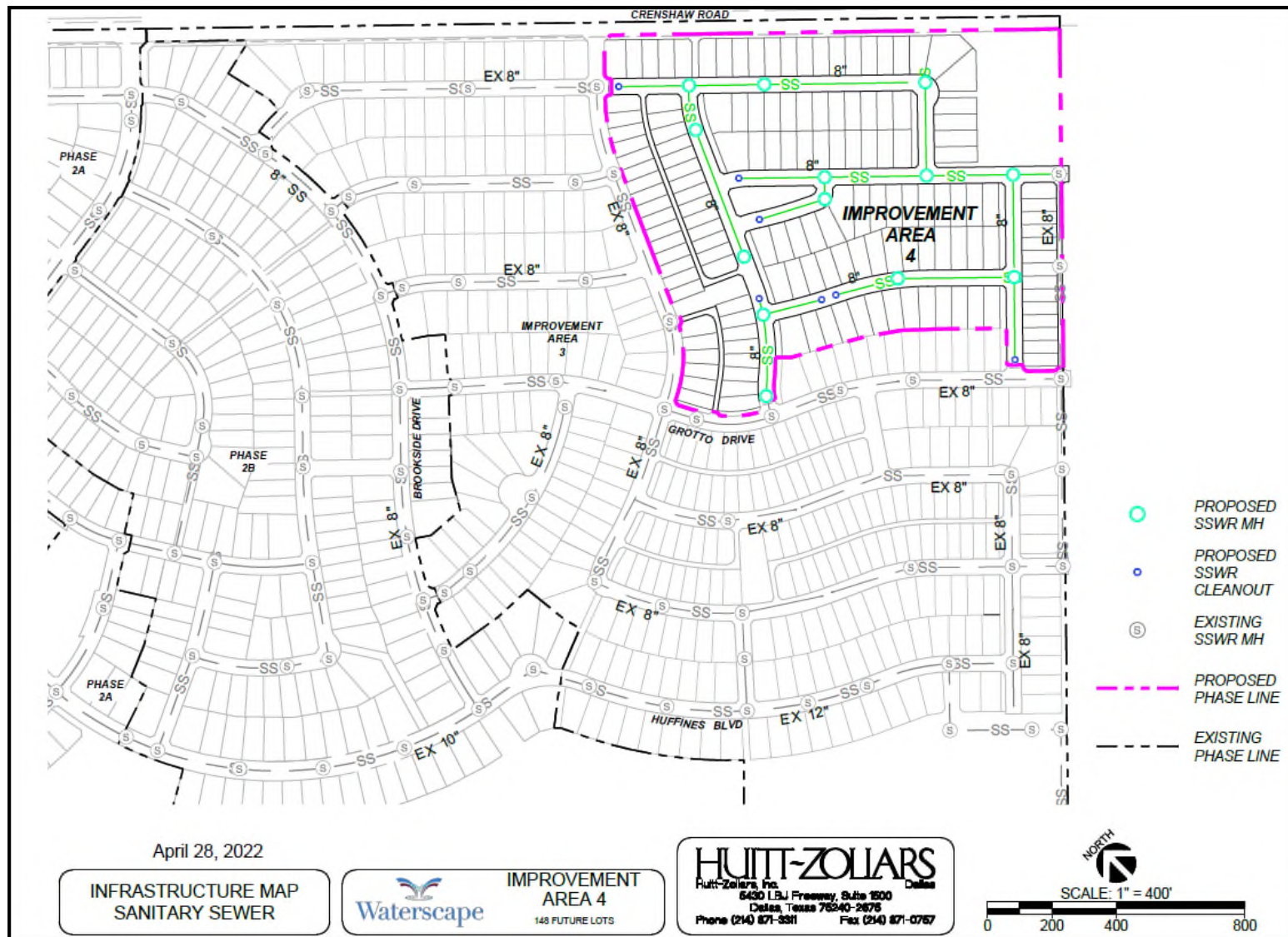


EXHIBIT J-5 – MAPS OF MAJOR IMPROVEMENTS

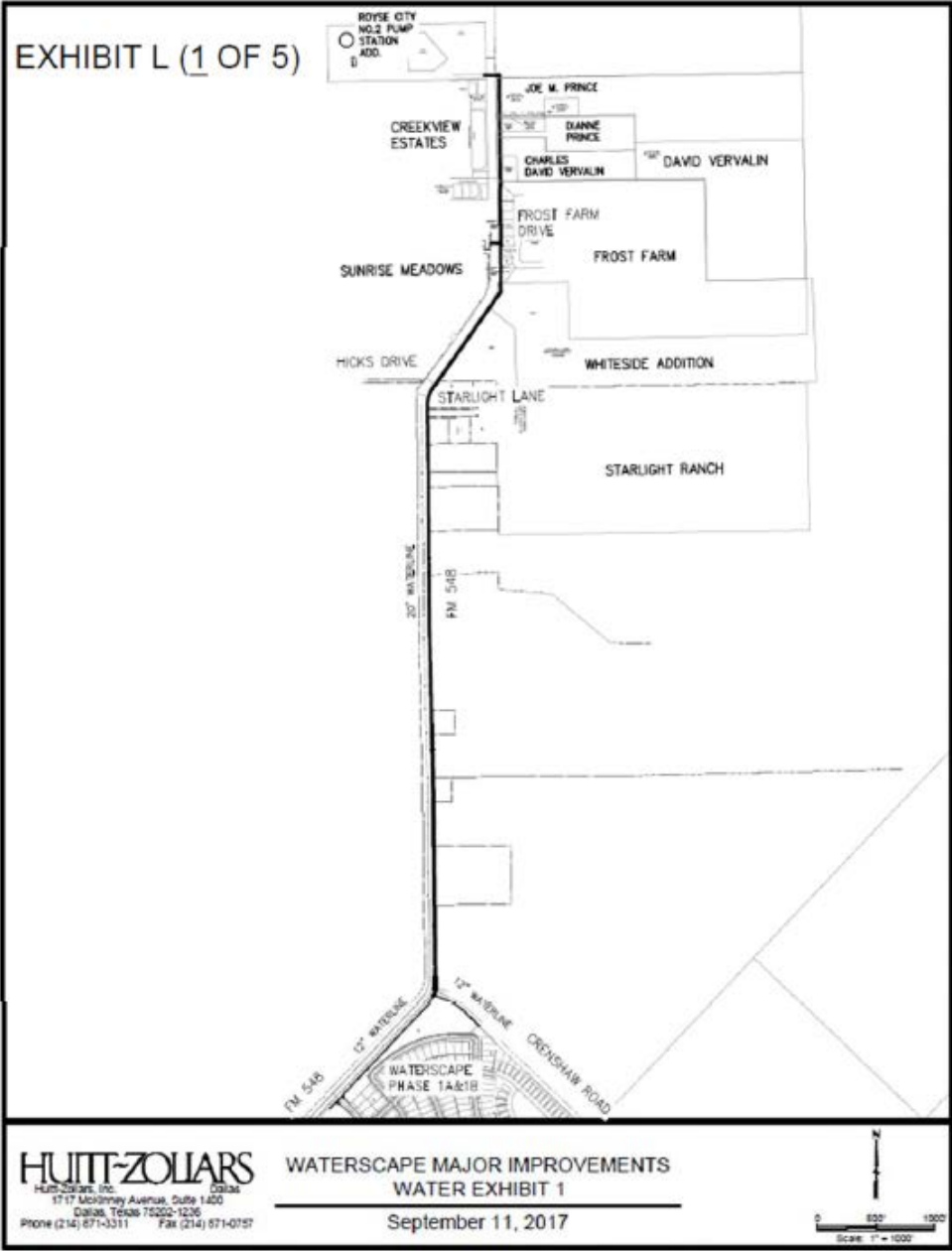
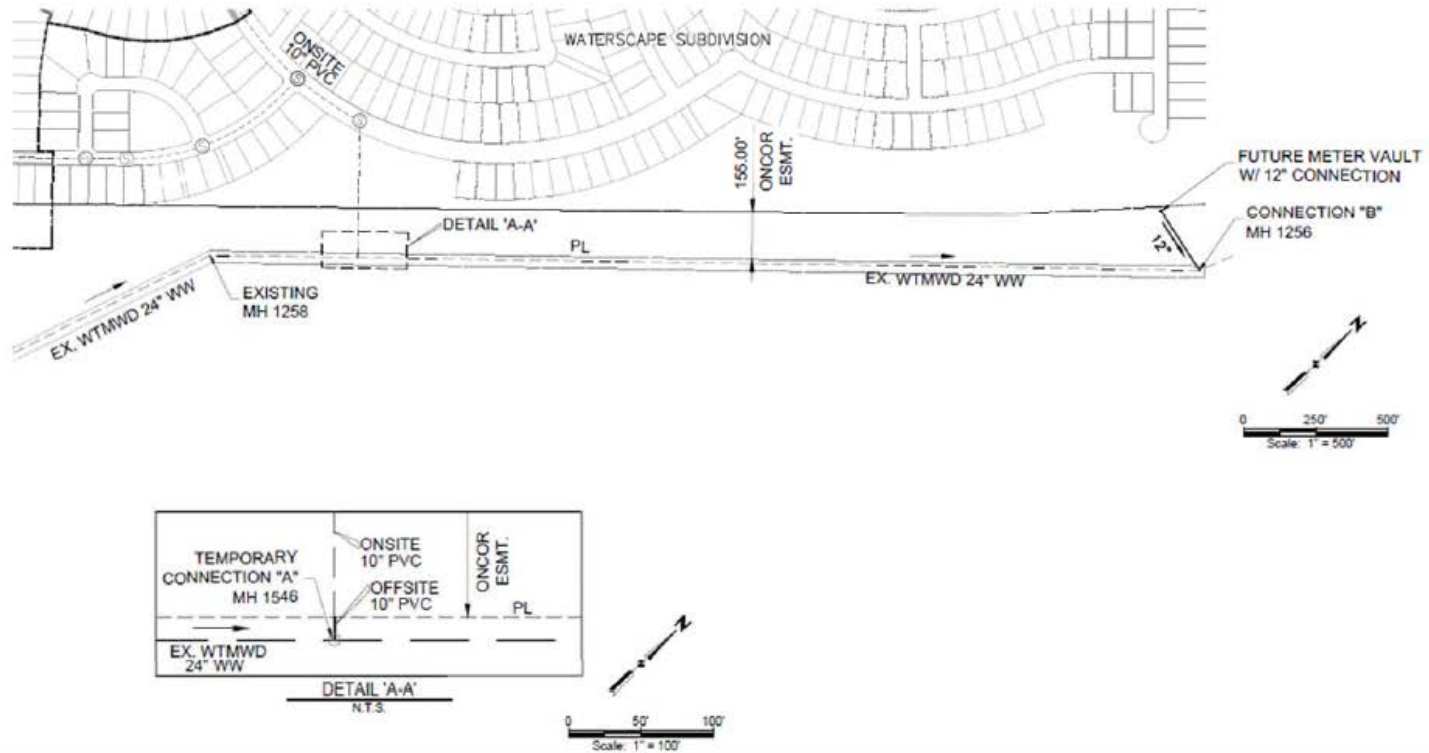


EXHIBIT L (2 OF 5)



HUITT-ZOLIARS
 Huitt-Zoliars, Inc.
 Dallas
 1717 McKinney Avenue, Suite 1400
 Dallas, Texas 75202-1236
 Phone (214) 871-3311 Fax (214) 871-0757

**WATERSCAPE MAJOR IMPROVEMENTS
 SANITARY SEWER EXHIBIT**

September 25, 2017

EXHIBIT L (3 OF 5)

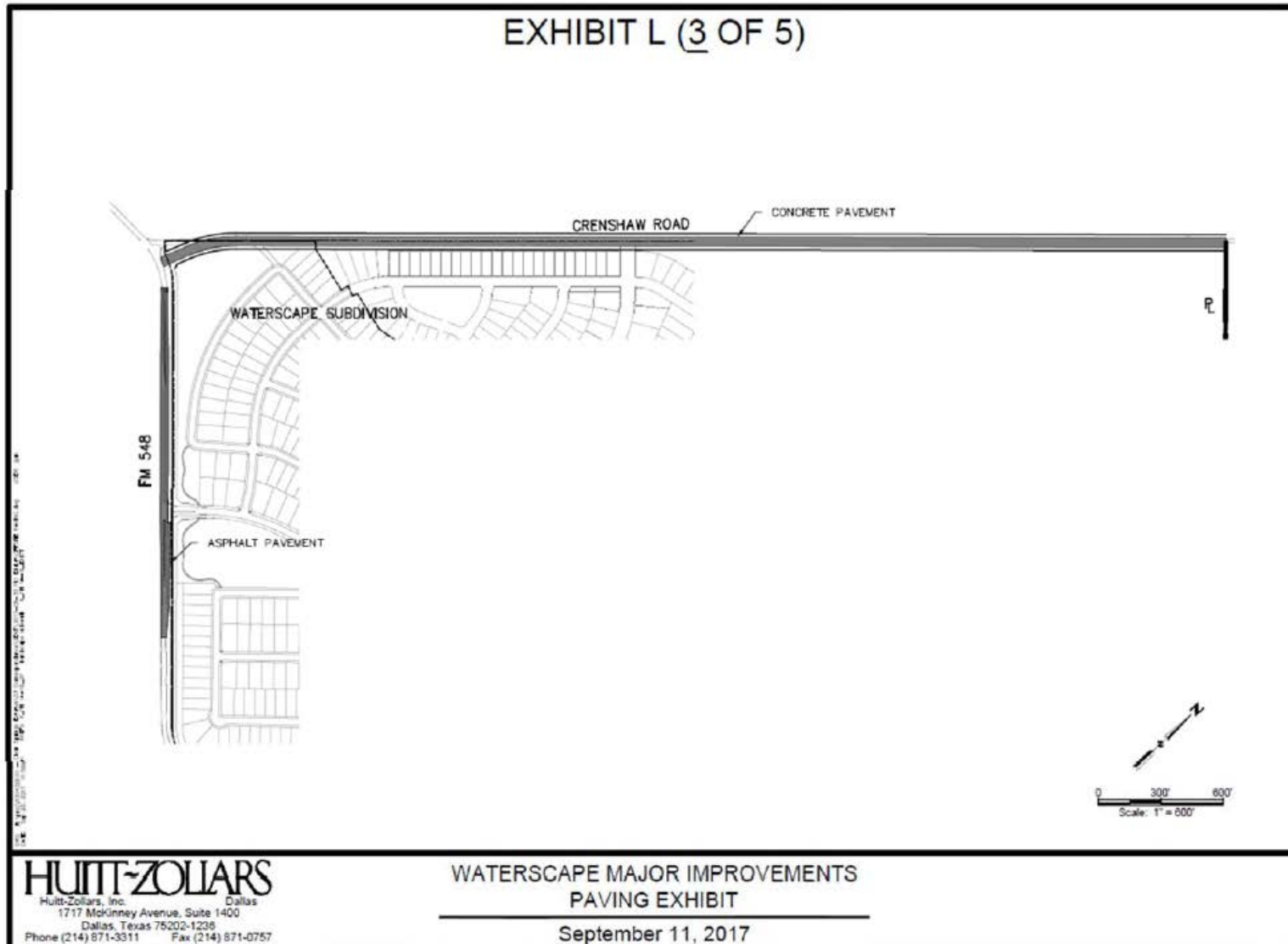
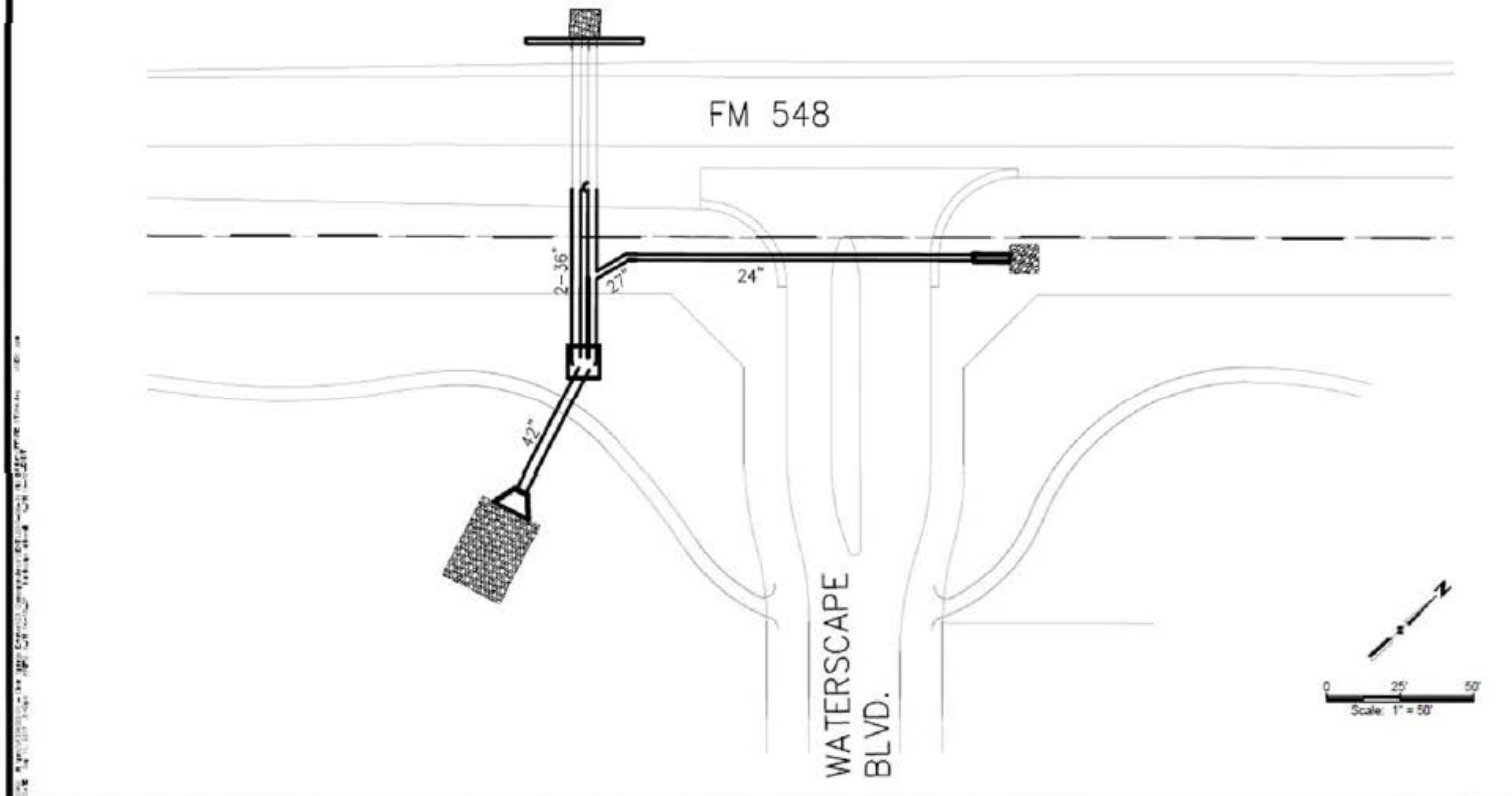


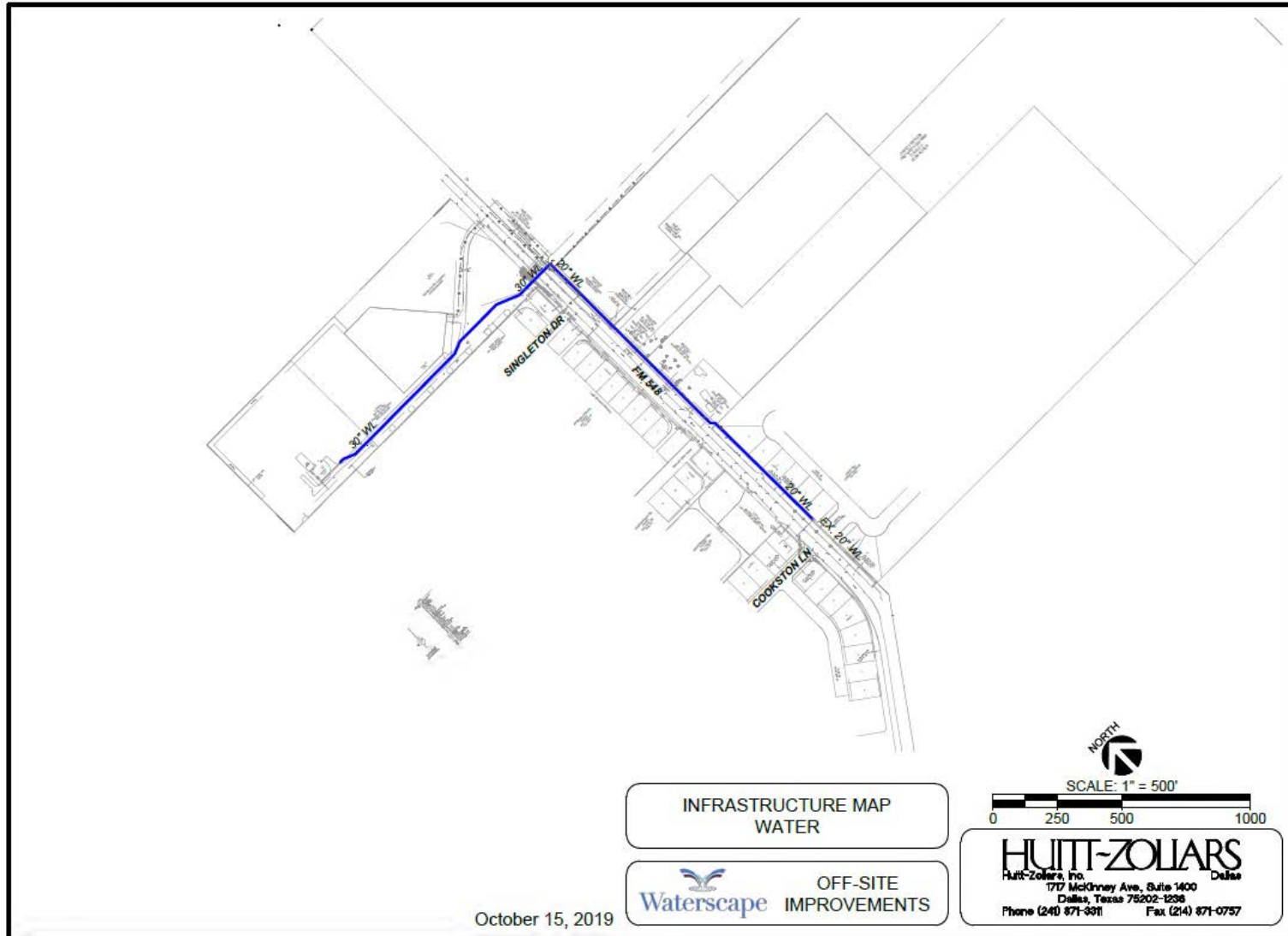
EXHIBIT L (4 OF 5)

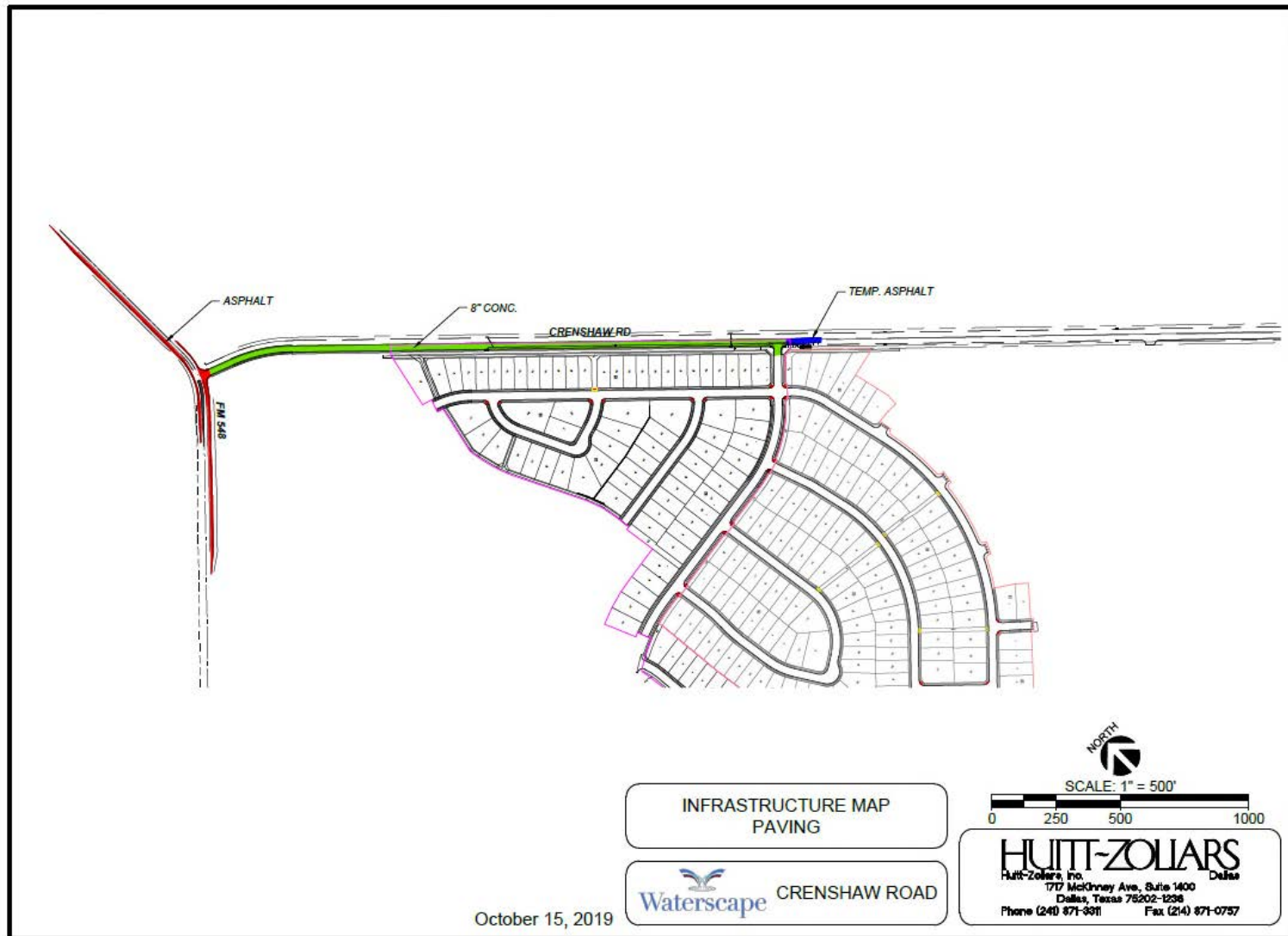


HUNT-ZOLLARS
 Hunt-Zollars, Inc. Dallas
 1717 McKinney Avenue, Suite 1400
 Dallas, Texas 75202-1238
 Phone (214) 871-3311 Fax (214) 871-0757

**WATERSCAPE MAJOR IMPROVEMENTS
 STORM DRAINAGE EXHIBIT**

September 11, 2017





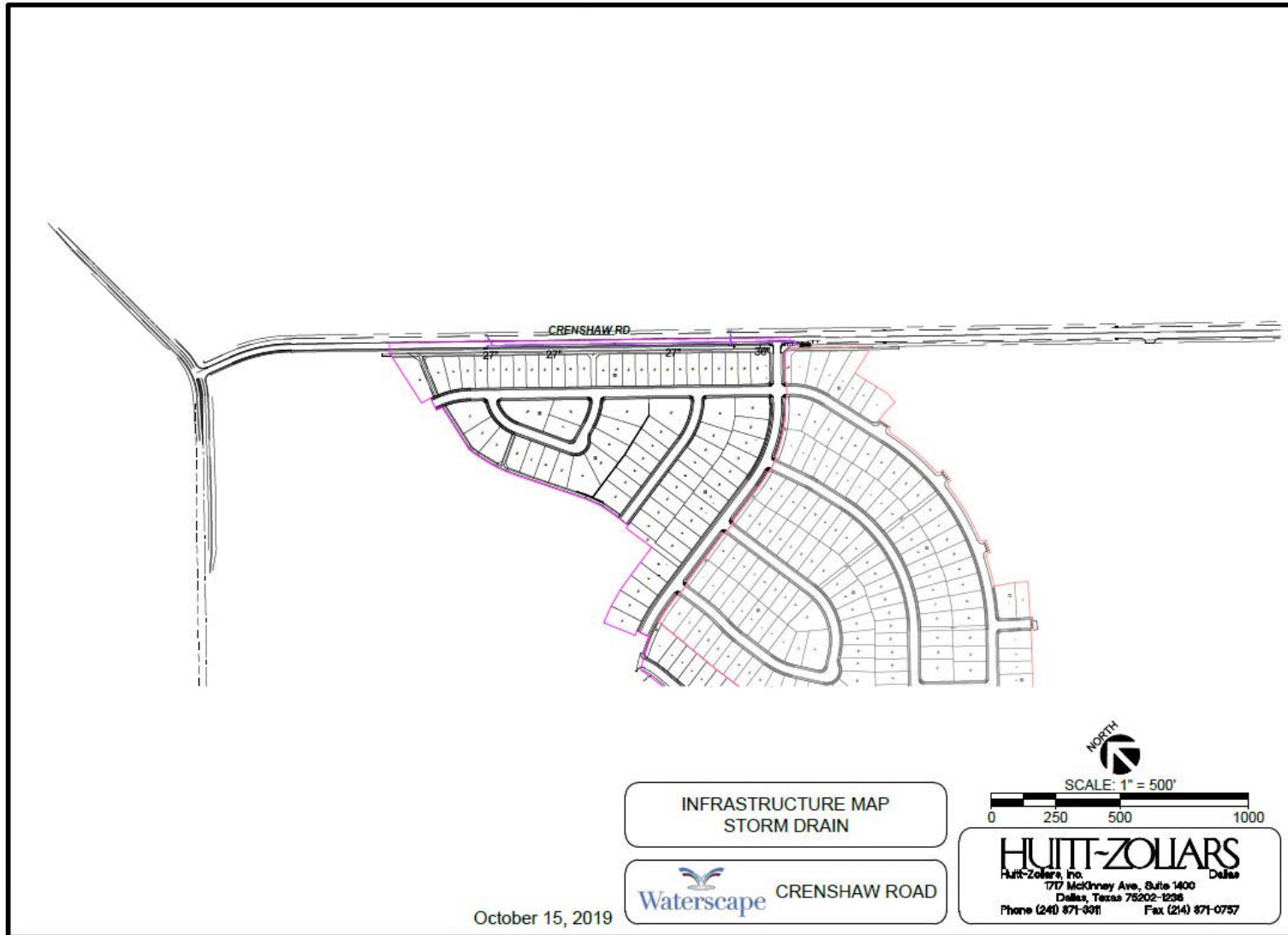


EXHIBIT K – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	2024 A&R SAP			Currently Outstanding					MIA TRE ⁴	Currently Outstanding				
	Units	Estimated Buildout Value per Unit	Total Estimated Buildout Value	Allocation	Total Assessment ²	Maximum Assessment Per Unit ³	Average Annual Installment	Average Annual Installment Per Unit		Total Assessment	Maximum Assessment Per Unit ³	Average Annual Installment	Average Annual Installment Per Unit	IA TRE ⁴
Improvement Area #1¹														
Lot Type 1	177	\$ 205,882	\$ 36,441,114						N/A	\$ 3,358,551	\$ 18,974.86	\$ 261,396	\$ 1,476.81	\$ 0.7173
Lot Type 2	98	247,059	24,211,782						N/A	2,231,449	22,769.89	173,673	1,772.18	0.7173
	275		\$ 60,652,896							\$ 5,590,000		\$ 435,069		
Improvement Area #2														
Lot Type 3	218	\$ 258,726	\$ 56,402,268	26.20%	\$ 1,196,060	\$ 5,486.52	\$ 98,615	\$ 452.36	\$ 0.1748	\$ 4,763,731	\$ 21,851.98	\$ 364,688	\$ 1,672.88	\$ 0.6466
Lot Type 4	136	276,956	37,666,016	17.50%	798,742	5,873.10	65,856	484.24	0.1748	3,181,269	23,391.68	243,543	1,790.75	0.6466
	354		\$ 94,068,284	43.70%	\$ 1,994,802		\$ 164,471			\$ 7,945,000		\$ 608,231		
Improvement Area #3														
Lot Type 5	81	\$ 350,000	\$ 28,350,000	8.42%	\$ 384,482	\$ 4,746.69	\$ 31,700	\$ 391.36	\$ 0.1118	\$ 1,693,041	\$ 20,901.75	\$ 124,665	\$ 1,539.07	\$ 0.4397
Lot Type 6	127	400,000	50,800,000	15.09%	688,948	5,424.79	56,804	447.27	0.1118	3,033,739	23,887.71	223,385	1,758.94	0.4397
Lot Type 7	117	450,000	52,650,000	15.64%	714,037	6,102.88	58,872	503.18	0.1118	3,144,220	26,873.67	231,520	1,978.80	0.4397
	325		\$ 131,800,000	39.16%	\$ 1,787,467		\$ 147,376			\$ 7,871,000		\$ 579,569		
Improvement Area #4														
Lot Type 8	58	\$ 350,000	\$ 20,300,000	6.18%	\$ 282,228	\$ 4,866.00	\$ 23,273	\$ 401.26	\$ 0.1146	\$ 1,133,749	\$ 19,547.40	\$ 101,087	\$ 1,742.88	\$ 0.4980
Lot Type 9	90	425,000	38,250,000	10.96%	500,503	5,561.15	41,273	458.59	0.1079	2,136,251	23,736.12	190,472	2,116.35	0.4980
	148		\$ 58,550,000	17.15%	\$ 782,731		\$ 64,536			\$ 3,270,000		\$ 291,559		
MIA Total²	827		\$ 284,418,284		\$ 4,565,000		\$ 376,383							
Total	1102		\$ 345,071,180		\$ 4,565,000		\$ 376,383			\$ 24,676,000		\$ 1,914,428		

Notes:

¹ In the Original Service and Assessment Plan, and in the 2019 Amended and Restated Service and Assessment Plan, the Estimated Buildout Value per Unit for Lot Type 1 was \$205,882, and for Lot Type 2 was \$247,059. For the purposes of this 2024 Amended and Restated Service and Assessment Plan, the Estimated Buildout Values of Lot Type 1 and Lot Type 2 must remain at the original values due to the fact that the Improvement Area #1 Assessment was allocated based on those values, and changing them would result in a mandatory Prepayment, despite the fact that comparable Lots in the other improvement areas have higher Estimated Buildout Values.

² Major Improvement Area Outstanding Assessment net of \$112,280 mandatory Prepayment, and \$140,000 Major Improvement Area Bond redemption. The Major Improvement Area includes Improvement Area #2, Improvement Area #3, and Improvement Area #4.

³ Represents current outstanding Maximum Assessment per Unit, which has decreased from the Maximum Assessment per Unit shown in the 2019 Amended and Restated Service and Assessment Plan due to the principal portion of the Annual Installments collected since 2019.

⁴ Not inclusive of O&M Assessment which is to be determined in the 2024 O&M SAP Update.

EXHIBIT L – MAXIMUM TIRZ NO. 1 CREDIT AMOUNT BY LOT TYPE

Lot Type	Estimated Buildout Value Per Unit ¹	Outstanding Principal Assessment Per Unit	Avg. Annual Installment per Unit ²	Equivalent PID Tax Rate + O&M Tax Rate	Equivalent Total Tax Rate ³	TIRZ No. 1 Maximum Annual Credit Amount Per Unit	Net Annual Installment Per Unit	Net Equivalent PID Tax Rate + O&M Tax Rate	Net Equivalent Total Tax Rate ⁴
Not Annexed									
<i>Improvement Area #1</i>									
Lot Type 1	\$ 258,726	\$ 18,974.86	\$ 1,564.15	\$ 0.7546	\$ 2.6513	\$ -	\$ 1,564.15	\$ 0.7546	\$ 2.6513
Lot Type 2	276,956	22,769.89	1,876.99	0.8277	2.7245	-	1,876.99	0.8277	2.7245
Annexed									
<i>Improvement Area #1⁵</i>									
Lot Type 1	\$ 258,726	\$ 18,974.86	\$ 1,564.15	\$ 0.6046	\$ 3.1228	\$ 214.25	\$ 1,349.90	\$ 0.5218	\$ 3.0400
Lot Type 2	276,956	22,769.89	1,876.99	0.6777	3.1960	431.97	1,445.02	0.5218	3.0400
<i>Improvement Area #2</i>									
Lot Type 3	\$ 258,726	\$ 27,338.49	\$ 2,147.07	\$ 0.8299	\$ 3.3481	\$ 797.17	\$ 1,349.90	\$ 0.5217	\$ 3.0400
Lot Type 4	276,956	29,264.78	2,298.35	0.8299	3.3481	853.33	1,445.02	0.5217	3.0400
<i>Improvement Area #3</i>									
Lot Type 5	\$ 350,000	\$ 25,648.43	\$ 1,950.98	\$ 0.5574	\$ 3.0757	\$ 124.85	\$ 1,826.13	\$ 0.5218	\$ 3.0400
Lot Type 6	400,000	29,312.49	2,212.57	0.5531	3.0714	125.57	2,087.00	0.5218	3.0400
Lot Type 7	450,000	32,976.56	2,464.41	0.5476	3.0659	116.53	2,347.88	0.5218	3.0400
<i>Improvement Area #4</i>									
Lot Type 8	\$ 350,000	\$ 24,413.40	\$ 2,144.14	\$ 0.6126	\$ 3.0934	\$ 186.77	\$ 1,957.38	\$ 0.5593	\$ 3.0400
Lot Type 9	425,000	29,297.27	2,574.94	0.6059	3.0866	198.13	2,376.81	0.5593	3.0400

¹ Estimated Buildout Value per unit for the Lots within Improvement Area #1 for the purposes of **Exhibit K** is being kept at \$205,882 for Lot Type 1 and \$247,059 Lot Type 2 to match the Original Service and Assessment Plan. Estimated Buildout Value per unit for the Lots within Improvement Area #1 for the purposes of this **Exhibit L** are increased to \$258,726 for Lot Type 1 and \$276,956 for Lot Type 2 to match the increased value of the Lots as of the approval of the 2019 Amended and Restated Service and Assessment Plan and the creation of TIRZ No. 1. The Estimated Buildout Value per Unit for Lot Types within Improvement Area #3 reflect Lot values as of the levying of the Improvement Area #3 Assessment and the approval of the 2022 Amended and Restated Service and Assessment Plan. The Estimated Buildout Value per Unit for Lot Types within Improvement Area #4 reflect current Lot values as of the levying of the Improvement Area #4 Assessment and the approval of this 2024 Amended and Restated Service and Assessment Plan.

² Average Annual Installment per Unit for Lots within Improvement Area #1 and Improvement Area #2 represent the Average Annual Installment per Unit as of the approval of the 2019 Amended and Restated Service and Assessment Plan and creation of TIRZ No. 1. The Average Annual Installment per Unit for Lots within Improvement Area #3 equals the Average Annual Installment per Unit as of the levying of the Improvement Area #3 Assessment, and the approval of the 2022 Amended and Restated Service and Assessment Plan. The Average Annual Installment per Unit for Lots within Improvement Area #4 equals the Average Annual Installment per Unit as of the levying of the Improvement Area #4 Assessment, and the approval of this 2024 Amended and Restated Service and Assessment Plan.

³ Taxing entities applicable to every Lot within the District for the year 2019 include Rockwall County (\$0.3284), and Royse City ISD (\$1.5685). Lots within the corporate limits of the City also are required to pay the City of Royse City tax (\$0.6215 in 2019 and \$0.5840 in 2023). Lots not within the corporate limits of the City are required to pay the O&M Assessment (\$0.15).

⁴ Totals may not add due to rounding.

⁵ Improvement Area #1 is within the boundary of TIRZ No. 1, but because the City has not annexed Improvement Area #1, no Parcel within Improvement Area #1 will be eligible to receive the TIRZ No. 1 Annual Credit Amount. Any owner of a Parcel within Improvement Area #1 has the option to petition the City to annex their Parcel, in which case they would stop paying their O&M Assessment every year, start paying the City tax, and start receiving a TIRZ No. 1 Annual Credit Amount every year. This table shows what that TIRZ No. 1 Annual Credit Amount would be for any Parcel within Improvement Area #1 if that Parcel were annexed.

EXHIBIT M – FORM OF NOTICE OF PID ASSESSMENT TERMINATION



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

[Date]
Rockwall County Clerk's Office
Honorable _____
1111 E Yellowjacket Lane
Suite 100
Rockwall, TX 75087

Re: City of Royse City Lien Release documents for filing

Dear Ms./Mr. _____,

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

City of Royse City
Attn: [City Secretary]
PO Box 638
305 N. Arch Street
Royse City, TX 75189

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

Sincerely,
[Signature]

P3Works, LLC
(817) 393-0353
Admin@P3-Works.com
www.P3-Works.com

AFTER RECORDING RETURN TO:

[City Secretary Name]
[City Secretary 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	§	
	§	NOW ALL MEN BY THESE PRESENTS:
COUNTY OF ROCKWALL	§	

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

RECITALS

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

WHEREAS, on or about October 11, 2016, the City Council for the City, approved Resolution No. 16-10-1170R, creating Waterscape Public Improvement District; and

WHEREAS, the Waterscape Public Improvement District consists of approximately 310.11 contiguous acres within the extraterritorial jurisdiction and corporate limits of the City; and

WHEREAS, on December 12, 2017 the City Council, approved Ordinance No. 17-12-1264, (hereinafter referred to as the "Original Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within Improvement Area #1 and the Major Improvement Area within the Waterscape Public Improvement District; and

WHEREAS, on or about August 9, 2022 the City Council, approved Ordinance No. 22-08-1535, (hereinafter referred to as the "2022 Assessment Ordinance") approving an amended and restated service and assessment plan and assessment roll for the Property within Improvement

WHEREAS, on or about _____, the City Council, approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving an amended and restated service and assessment plan and assessment roll for the Property within Improvement Area #1, the Major Improvement Area, Improvement Area #2, Improvement Area #3 and Improvement Area #4 within the Waterscape Public Improvement District; and

WHEREAS, the property owners of the Property have paid to the City the Lien Amount.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

STATE OF TEXAS §
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on the ____ day of _____, 20__, by
[City Manager], City Administrator for the City of Royse City, Texas, a Texas home rule
municipality, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT N-1 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1 INITIAL BONDS

DEBT SERVICE REQUIREMENTS

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

<u>Year Ending (September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018		\$ 118,666.18	\$ 118,666.18
2019	\$ 55,000.00	166,225.00	221,225.00
2020	60,000.00	163,887.50	223,887.50
2021	60,000.00	161,337.50	221,337.50
2022	60,000.00	158,787.50	218,787.50
2023	65,000.00	156,237.50	221,237.50
2024	70,000.00	153,475.00	223,475.00
2025	70,000.00	150,500.00	220,500.00
2026	75,000.00	147,525.00	222,525.00
2027	75,000.00	144,337.50	219,337.50
2028	80,000.00	141,150.00	221,150.00
2029	85,000.00	137,750.00	222,750.00
2030	90,000.00	133,500.00	223,500.00
2031	90,000.00	129,000.00	219,000.00
2032	95,000.00	124,500.00	219,500.00
2033	100,000.00	119,750.00	219,750.00
2034	105,000.00	114,750.00	219,750.00
2035	110,000.00	109,500.00	219,500.00
2036	120,000.00	104,000.00	224,000.00
2037	125,000.00	98,000.00	223,000.00
2038	130,000.00	91,750.00	221,750.00
2039	135,000.00	85,250.00	220,250.00
2040	145,000.00	78,500.00	223,500.00
2041	150,000.00	71,250.00	221,250.00
2042	155,000.00	63,750.00	218,750.00
2043	165,000.00	56,000.00	221,000.00
2044	175,000.00	47,750.00	222,750.00
2045	180,000.00	39,000.00	219,000.00
2046	190,000.00	30,000.00	220,000.00
2047	200,000.00	20,500.00	220,500.00
2048	<u>210,000.00</u>	<u>10,500.00</u>	<u>220,500.00</u>
Total	<u>\$3,425,000.00</u>	<u>\$3,327,128.68</u>	<u>\$6,752,128.68</u>

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EXHIBIT N-2 – DEBT SERVICE SCHEDULE FOR MAJOR IMPROVEMENT AREA BONDS

Draft Numbers \$5,150,000					
City of Royse City, Texas (Waterscape Public Improvement District Major Improvement Area Project) Special Assessment Revenue Bonds, Series 2017 - FINAL PRICING					
Current Outstanding Debt Service					Part 1 of 2
Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/15/2023	-	-	123,268.75	123,268.75	-
09/15/2023	95,000.00	4.750%	123,268.75	218,268.75	341,537.50
03/15/2024	-	-	121,012.50	121,012.50	-
09/15/2024	95,000.00	4.750%	121,012.50	216,012.50	337,025.00
03/15/2025	-	-	118,756.25	118,756.25	-
09/15/2025	100,000.00	4.750%	118,756.25	218,756.25	337,512.50
03/15/2026	-	-	116,381.25	116,381.25	-
09/15/2026	105,000.00	4.750%	116,381.25	221,381.25	337,762.50
03/15/2027	-	-	113,887.50	113,887.50	-
09/15/2027	110,000.00	4.750%	113,887.50	223,887.50	337,775.00
03/15/2028	-	-	111,275.00	111,275.00	-
09/15/2028	115,000.00	4.750%	111,275.00	226,275.00	337,550.00
03/15/2029	-	-	108,543.75	108,543.75	-
09/15/2029	120,000.00	5.250%	108,543.75	228,543.75	337,087.50
03/15/2030	-	-	105,393.75	105,393.75	-
09/15/2030	125,000.00	5.250%	105,393.75	230,393.75	335,787.50
03/15/2031	-	-	102,112.50	102,112.50	-
09/15/2031	135,000.00	5.250%	102,112.50	237,112.50	339,225.00
03/15/2032	-	-	98,568.75	98,568.75	-
09/15/2032	140,000.00	5.250%	98,568.75	238,568.75	337,137.50
03/15/2033	-	-	94,893.75	94,893.75	-
09/15/2033	150,000.00	5.250%	94,893.75	244,893.75	339,787.50
03/15/2034	-	-	90,956.25	90,956.25	-
09/15/2034	155,000.00	5.250%	90,956.25	245,956.25	336,912.50
03/15/2035	-	-	86,887.50	86,887.50	-
09/15/2035	165,000.00	5.250%	86,887.50	251,887.50	338,775.00
03/15/2036	-	-	82,556.25	82,556.25	-
09/15/2036	175,000.00	5.250%	82,556.25	257,556.25	340,112.50
03/15/2037	-	-	77,962.50	77,962.50	-
09/15/2037	185,000.00	5.250%	77,962.50	262,962.50	340,925.00
03/15/2038	-	-	73,106.25	73,106.25	-
09/15/2038	190,000.00	5.250%	73,106.25	263,106.25	336,212.50
03/15/2039	-	-	68,118.75	68,118.75	-
09/15/2039	205,000.00	5.250%	68,118.75	273,118.75	341,237.50
03/15/2040	-	-	62,737.50	62,737.50	-
09/15/2040	215,000.00	5.250%	62,737.50	277,737.50	340,475.00
03/15/2041	-	-	57,093.75	57,093.75	-
09/15/2041	225,000.00	5.250%	57,093.75	282,093.75	339,187.50
03/15/2042	-	-	51,187.50	51,187.50	-
09/15/2042	240,000.00	5.250%	51,187.50	291,187.50	342,375.00

PID Bonds, Series 2017 (M) | SINGLE PURPOSE | 7/28/2022 | 4:36 PM

Specialized Public Finance Inc.
Dallas, Texas

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Draft Numbers

\$5,150,000

City of Royse City, Texas

(Waterscape Public Improvement District Major Improvement Area Project)

Special Assessment Revenue Bonds, Series 2017 - FINAL PRICING

Current Outstanding Debt Service

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/15/2043	-	-	44,887.50	44,887.50	-
09/15/2043	250,000.00	5.250%	44,887.50	294,887.50	339,775.00
03/15/2044	-	-	38,325.00	38,325.00	-
09/15/2044	265,000.00	5.250%	38,325.00	303,325.00	341,650.00
03/15/2045	-	-	31,368.75	31,368.75	-
09/15/2045	280,000.00	5.250%	31,368.75	311,368.75	342,737.50
03/15/2046	-	-	24,018.75	24,018.75	-
09/15/2046	290,000.00	5.250%	24,018.75	314,018.75	338,037.50
03/15/2047	-	-	16,406.25	16,406.25	-
09/15/2047	305,000.00	5.250%	16,406.25	321,406.25	337,812.50
03/15/2048	-	-	8,400.00	8,400.00	-
09/15/2048	320,000.00	5.250%	8,400.00	328,400.00	336,800.00
Total	\$4,755,000.00	-	\$4,056,212.50	\$8,811,212.50	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	9/15/2022
Average Life	16.293 Years
Average Coupon	5.2264706%
Weighted Average Maturity (Par Basis)	16.293 Years
Weighted Average Maturity (Original Price Basis)	15.179 Years

Refunding Bond Information

Refunding Dated Date	9/15/2022
Refunding Delivery Date	9/15/2022

PID Bonds, Series 2017 (M) | SINGLE PURPOSE | 7/28/2022 | 4:36 PM

Specialized Public Finance Inc.
Dallas, Texas

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EXHIBIT N-3 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1 ADDITIONAL BONDS

DEBT SERVICE REQUIREMENTS FOR THE BONDS SIMILARLY SECURED

The following table sets forth the debt service requirements for the outstanding 2017 Bonds and 2019 Bonds:⁽¹⁾

Year Ending (September 30)	2017 Bonds			2019 Bonds			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
2020 ⁽¹⁾	\$ 60,000	\$ 163,888	\$ 223,888	\$ 35,000	\$ 90,739	\$ 125,739	\$ 349,627
2021	60,000	161,338	221,338	50,000	118,431	168,431	389,769
2022	60,000	158,788	218,788	55,000	116,681	171,681	390,469
2023	65,000	156,238	221,238	55,000	114,756	169,756	390,994
2024	70,000	153,475	223,475	55,000	112,831	167,831	391,306
2025	70,000	150,500	220,500	60,000	110,906	170,906	391,406
2026	75,000	147,525	222,525	60,000	108,581	168,581	391,106
2027	75,000	144,338	219,338	65,000	106,256	171,256	390,594
2028	80,000	141,150	221,150	65,000	103,738	168,738	389,888
2029	85,000	137,750	222,750	65,000	101,219	166,219	388,969
2030	90,000	133,500	223,500	65,000	98,700	163,700	387,200
2031	90,000	129,000	219,000	85,000	95,856	180,856	399,856
2032	95,000	124,500	219,500	90,000	92,138	182,138	401,638
2033	100,000	119,750	219,750	95,000	88,200	183,200	402,950
2034	105,000	114,750	219,750	95,000	84,044	179,044	398,794
2035	110,000	109,500	219,500	100,000	79,888	179,888	399,388
2036	120,000	104,000	224,000	100,000	75,513	175,513	399,513
2037	125,000	98,000	223,000	105,000	71,138	176,138	399,138
2038	130,000	91,750	221,750	110,000	66,544	176,544	398,294
2039	135,000	85,250	220,250	115,000	61,731	176,731	396,981
2040	145,000	78,500	223,500	115,000	56,700	171,700	395,200
2041	150,000	71,250	221,250	125,000	51,525	176,525	397,775
2042	155,000	63,750	218,750	130,000	45,900	175,900	394,650
2043	165,000	56,000	221,000	135,000	40,050	175,050	396,050
2044	175,000	47,750	222,750	135,000	33,975	168,975	391,725
2045	180,000	39,000	219,000	145,000	27,900	172,900	391,900
2046	190,000	30,000	220,000	150,000	21,375	171,375	391,375
2047	200,000	20,500	220,500	160,000	14,625	174,625	395,125
2048	210,000	10,500	220,500	165,000	7,425	172,425	392,925
Total⁽²⁾	\$3,370,000	\$3,042,238	\$6,412,238	\$2,785,000	\$2,197,364	\$4,982,364	\$11,394,602

⁽¹⁾ Annual Installments due on or before January 31, 2020 on the Improvement Area #1 Reimbursement Obligation will be deposited with the Trustee and will be available for payment of principal on the 2019 Bonds due on September 1, 2020.

⁽²⁾ Totals may not add due to rounding.

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EXHIBIT N-4 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #2 BONDS

DEBT SERVICE REQUIREMENTS FOR THE BONDS

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

Year Ending (September 30)	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 297,091	\$ 297,091
2021	145,000	391,769	536,769
2022	155,000	386,331	541,331
2023	160,000	380,519	540,519
2024	165,000	374,519	539,519
2025	170,000	368,331	538,331
2026	175,000	361,319	536,319
2027	185,000	354,100	539,100
2028	195,000	346,469	541,469
2029	200,000	338,425	538,425
2030	210,000	330,175	540,175
2031	220,000	320,463	540,463
2032	230,000	310,288	540,288
2033	240,000	299,650	539,650
2034	255,000	288,550	543,550
2035	265,000	276,756	541,756
2036	280,000	264,500	544,500
2037	290,000	251,550	541,550
2038	310,000	238,138	548,138
2039	320,000	223,800	543,800
2040	335,000	209,000	544,000
2041	355,000	193,088	548,088
2042	370,000	176,225	546,225
2043	390,000	158,650	548,650
2044	410,000	140,125	550,125
2045	430,000	120,650	550,650
2046	450,000	100,225	550,225
2047	475,000	78,850	553,850
2048	500,000	56,288	556,288
2049	685,000	32,538	717,538
Total⁽¹⁾	<u>\$8,570,000</u>	<u>\$7,668,379</u>	<u>\$16,238,379</u>

⁽¹⁾ Totals may not add due to rounding.

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EXHIBIT N-5 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #3 BONDS

DEBT SERVICE REQUIREMENTS FOR THE BONDS

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

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 88,000	\$ 469,807	\$ 557,807
2024	111,000	446,835	557,835
2025	116,000	441,563	557,563
2026	122,000	436,053	558,053
2027	127,000	430,258	557,258
2028	133,000	424,225	557,225
2029	140,000	417,409	557,409
2030	147,000	410,234	557,234
2031	154,000	402,700	556,700
2032	162,000	394,808	556,808
2033	171,000	386,505	557,505
2034	180,000	376,886	556,886
2035	190,000	366,761	556,761
2036	201,000	356,074	557,074
2037	213,000	344,768	557,768
2038	225,000	332,786	557,786
2039	238,000	320,130	558,130
2040	251,000	306,743	557,743
2041	266,000	292,624	558,624
2042	281,000	277,661	558,661
2043	297,000	261,855	558,855
2044	315,000	244,778	559,778
2045	334,000	226,665	560,665
2046	354,000	207,460	561,460
2047	375,000	187,105	562,105
2048	398,000	165,543	563,543
2049	567,000	142,658	709,658
2050	601,000	110,055	711,055
2051	637,000	75,498	712,498
2052	<u>676,000</u>	<u>38,870</u>	<u>714,870</u>
Total⁽¹⁾	\$8,070,000	\$9,295,312	\$17,365,312

⁽¹⁾ Totals may not add due to rounding.

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EXHIBIT N-6 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #4 BONDS

<div> <div>Final Numbers</div> <div>\$3,270,000</div> <div> City of Royse City, Texas (Waterscape Public Improvement District; IA4) Special Assessment Revenue Bonds, Series 2024 </div> </div>					
Debt Service Schedule					Part 1 of 3
Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/15/2024	-	-	-	-	-
09/15/2024	-	-	62,612.50	62,612.50	-
09/30/2024	-	-	-	-	62,612.50
03/15/2025	-	-	93,918.75	93,918.75	-
09/15/2025	43,000.00	4.625%	93,918.75	136,918.75	-
09/30/2025	-	-	-	-	230,837.50
03/15/2026	-	-	92,924.38	92,924.38	-
09/15/2026	45,000.00	4.625%	92,924.38	137,924.38	-
09/30/2026	-	-	-	-	230,848.76
03/15/2027	-	-	91,883.75	91,883.75	-
09/15/2027	47,000.00	4.625%	91,883.75	138,883.75	-
09/30/2027	-	-	-	-	230,767.50
03/15/2028	-	-	90,796.88	90,796.88	-
09/15/2028	49,000.00	4.625%	90,796.88	139,796.88	-
09/30/2028	-	-	-	-	230,593.76
03/15/2029	-	-	89,663.75	89,663.75	-
09/15/2029	51,000.00	4.625%	89,663.75	140,663.75	-
09/30/2029	-	-	-	-	230,327.50
03/15/2030	-	-	88,484.38	88,484.38	-
09/15/2030	53,000.00	4.625%	88,484.38	141,484.38	-
09/30/2030	-	-	-	-	229,968.76
03/15/2031	-	-	87,258.75	87,258.75	-
09/15/2031	54,000.00	4.625%	87,258.75	141,258.75	-
09/30/2031	-	-	-	-	228,517.50
03/15/2032	-	-	86,010.00	86,010.00	-
09/15/2032	57,000.00	5.875%	86,010.00	143,010.00	-
09/30/2032	-	-	-	-	229,020.00
03/15/2033	-	-	84,335.63	84,335.63	-
09/15/2033	59,000.00	5.875%	84,335.63	143,335.63	-
09/30/2033	-	-	-	-	227,671.26
03/15/2034	-	-	82,602.50	82,602.50	-
09/15/2034	63,000.00	5.875%	82,602.50	145,602.50	-
09/30/2034	-	-	-	-	228,205.00
03/15/2035	-	-	80,751.88	80,751.88	-
09/15/2035	66,000.00	5.875%	80,751.88	146,751.88	-
09/30/2035	-	-	-	-	227,503.76
03/15/2036	-	-	78,813.13	78,813.13	-
09/15/2036	69,000.00	5.875%	78,813.13	147,813.13	-
09/30/2036	-	-	-	-	226,626.26
03/15/2037	-	-	76,786.25	76,786.25	-
09/15/2037	73,000.00	5.875%	76,786.25	149,786.25	-
09/30/2037	-	-	-	-	226,572.50
03/15/2038	-	-	74,641.88	74,641.88	-

PID Bonds, Series 2024 (I) | SINGLE PURPOSE | 4/23/2024 | 9:29 AM

Specialized Public Finance Inc.
Dallas, Texas

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Final Numbers

\$3,270,000

City of Royse City, Texas
(Waterscape Public Improvement District; IA4)
Special Assessment Revenue Bonds, Series 2024

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/15/2038	77,000.00	5.875%	74,641.88	151,641.88	-
09/30/2038	-	-	-	-	226,283.76
03/15/2039	-	-	72,380.00	72,380.00	-
09/15/2039	81,000.00	5.875%	72,380.00	153,380.00	-
09/30/2039	-	-	-	-	225,760.00
03/15/2040	-	-	70,000.63	70,000.63	-
09/15/2040	85,000.00	5.875%	70,000.63	155,000.63	-
09/30/2040	-	-	-	-	225,001.26
03/15/2041	-	-	67,503.75	67,503.75	-
09/15/2041	90,000.00	5.875%	67,503.75	157,503.75	-
09/30/2041	-	-	-	-	225,007.50
03/15/2042	-	-	64,860.00	64,860.00	-
09/15/2042	95,000.00	5.875%	64,860.00	159,860.00	-
09/30/2042	-	-	-	-	224,720.00
03/15/2043	-	-	62,069.38	62,069.38	-
09/15/2043	100,000.00	5.875%	62,069.38	162,069.38	-
09/30/2043	-	-	-	-	224,138.76
03/15/2044	-	-	59,131.88	59,131.88	-
09/15/2044	106,000.00	5.875%	59,131.88	165,131.88	-
09/30/2044	-	-	-	-	224,263.76
03/15/2045	-	-	56,018.13	56,018.13	-
09/15/2045	112,000.00	5.875%	56,018.13	168,018.13	-
09/30/2045	-	-	-	-	224,036.26
03/15/2046	-	-	52,728.13	52,728.13	-
09/15/2046	119,000.00	5.875%	52,728.13	171,728.13	-
09/30/2046	-	-	-	-	224,456.26
03/15/2047	-	-	49,232.50	49,232.50	-
09/15/2047	126,000.00	5.875%	49,232.50	175,232.50	-
09/30/2047	-	-	-	-	224,465.00
03/15/2048	-	-	45,531.25	45,531.25	-
09/15/2048	133,000.00	5.875%	45,531.25	178,531.25	-
09/30/2048	-	-	-	-	224,062.50
03/15/2049	-	-	41,624.38	41,624.38	-
09/15/2049	204,000.00	5.875%	41,624.38	245,624.38	-
09/30/2049	-	-	-	-	287,248.76
03/15/2050	-	-	35,631.88	35,631.88	-
09/15/2050	216,000.00	5.875%	35,631.88	251,631.88	-
09/30/2050	-	-	-	-	287,263.76
03/15/2051	-	-	29,286.88	29,286.88	-
09/15/2051	228,000.00	5.875%	29,286.88	257,286.88	-
09/30/2051	-	-	-	-	286,573.76
03/15/2052	-	-	22,589.38	22,589.38	-
09/15/2052	242,000.00	5.875%	22,589.38	264,589.38	-

PID Bonds, Series 2024 (i) | SINGLE PURPOSE | 4/23/2024 | 9:29 AM

Specialized Public Finance Inc.
Dallas, Texas

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Final Numbers

\$3,270,000

City of Royse City, Texas

(Waterscape Public Improvement District; IA4)

Special Assessment Revenue Bonds, Series 2024

Debt Service Schedule

Part 3 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/30/2012	-	-	-	-	287,178.76
03/15/2013	-	-	15,480.63	15,480.63	-
09/15/2013	256,000.00	5.875%	15,480.63	271,480.63	-
09/30/2013	-	-	-	-	286,961.26
03/15/2014	-	-	7,960.63	7,960.63	-
09/15/2014	271,000.00	5.875%	7,960.63	278,960.63	-
09/30/2014	-	-	-	-	286,921.26
Total	\$3,270,000.00	-	\$3,964,415.18	\$7,234,415.18	-

Yield Statistics

Bond Year Dollars	\$67,806.00
Average Life	20.736 Years
Average Coupon	5.8467026%
DV01	4,307.82

Net Interest Cost (NIC)	6.0099446%
True Interest Cost (TIC)	6.1395177%
Bond Yield for Arbitrage Purposes	5.8657460%
All Inclusive Cost (AIC)	6.8570805%

IRS Form 8038

Net Interest Cost	5.8868238%
Weighted Average Maturity	20.740 Years

PIB Bonds, Series 2024 (I) | SINGLE PURPOSE | 4/23/2024 | 9:23 AM

Specialized Public Finance Inc.
Dallas, Texas

Page 7

EXHIBIT O-1 – IMPROVEMENT AREA #4 LEGAL DESCRIPTION

OWNER'S DEDICATION STATE OF TEXAS COUNTY OF ROCKWALL

WHEREAS Parker Creek Estates, L.P. are the owner of a tract of land situated in the S.C. Wright Survey, Abstract No. 218, Rockwall County, Texas, and being a portion of that certain tract of land described as being 310.095 acres in instrument to Parker Creek Estates, L.P., as recorded in Volume 2855, Page 252 of the Official Public Records of Rockwall County, Texas, (O.P.R.R.C.T.), and a portion of that certain tract of land described as being 10.000 acres in instrument to Parker Creek Estates, L.P., as recorded under Document No. 20160000015014, Document No. 20170000021667, Document No. 201700000216667, Document No. 20170000021668, and Document No. 20170000021669, O.P.R.R.C.T. and being more particularly described as follows:

COMMENCING at a 3/8 inch iron rod found at the east corner of said 10.000-acre tract, said point being in the existing gravel roadway of Crenshaw Road and being on the southwesterly line of a 30-foot wide donation for road right-of-way of Crenshaw Road as described in instrument to the State of Texas as recorded in Volume 750, Page 187, O.P.R.R.C.T.;

THENCE South 43 degrees 48 minutes 12 seconds West (Record: South 44 degrees 59 minutes 43 seconds West) along the southeasterly line of said 10.000-acre Parker Creek Estates LP tract, a distance of 40.00 feet to the POINT OF BEGINNING;

THENCE South 43 degrees 48 minutes 12 seconds West (Record: South 44 degrees 48 minutes 12 seconds West) continuing along the southeasterly line of said 10.000-acre tract, a distance of 1,050.58 feet to a point for corner;

THENCE departing the southeasterly line of said 10.000-acre Parker Creek Estates LP tract and continuing over and across the said Parker Creek Estates LP tracts the following courses:

North 46 degrees 11 minutes 48 seconds West a distance of 15.00 feet to a point for corner;
South 88 degrees 48 minutes 12 seconds West a distance of 14.14 feet to a point for corner;
North 46 degrees 11 minutes 48 seconds West a distance of 90.00 feet to a point for corner;
North 01 degree 11 minutes 48 seconds West a distance of 14.14 feet to a point for corner;
North 43 degrees 48 minutes 12 seconds East a distance of 10.00 feet to a point for corner;
North 46 degrees 11 minutes 48 seconds West a distance of 50.00 feet to a point for corner;
North 43 degrees 48 minutes 12 seconds East a distance of 113.21 feet to a point for corner;
North 46 degrees 11 minutes 48 seconds West a distance of 220.00 feet to a point for corner;
North 47 degrees 51 minutes 02 seconds West a distance of 106.59 feet to a point for corner;
North 55 degrees 07 minutes 26 seconds West a distance of 110.26 feet to a point for corner;
North 60 degrees 40 minutes 14 seconds West a distance of 109.74 feet to a point for corner;

North 61 degrees 43 minutes 26 seconds West a distance of 133.63 feet to a point for corner;

North 45 degrees 25 minutes 48 seconds West a distance of 47.86 feet to a point for corner, said point being the beginning of a non-tangent curve to the right having a central angle of 5 degrees 49 minutes 34 seconds, a radius of 661.00 feet and being subtended by a 67.18 -foot chord which bears South 47 degrees 28 minutes 58 seconds West;

Continuing along said curve to the right an arc distance of 67.21 feet to a point of reverse curvature of a curve to the left having a central angle of 16 degrees 10 minutes 58 seconds, a radius of 225.00 feet and being subtended by a 63.34-foot chord which bears South 42 degrees 18 minutes 16 seconds West;

Continuing along said curve to the left, an arc distance of 63.55 feet to a point for corner at the end of said curve;

North 55 degrees 47 minutes 12 seconds West a distance of 50.00 feet to a point for corner, said point being the beginning of a non-tangent curve to the left having a central angle of 4 degrees 02 minutes 00 seconds, a radius of 275.00 feet and being subtended by a 19.35-foot chord which bears South 32 degrees 11 minutes 48 seconds West;

Continuing along said curve to the left, an arc distance of 19.36 feet to a point for corner at the end of said curve;

South 73 degrees 30 minutes 56 seconds West a distance of 14.29 feet to a point for corner, said point being the beginning of a non-tangent curve to the right having a central angle of 21 degrees 10 minutes 32 seconds, a radius of 325.00 feet and being subtended by a 119.43-foot chord which bears North 50 degrees 42 minutes 59 seconds West;

Continuing along said curve to the right, an arc distance of 120.11 feet to a point for corner at the end of said curve;

North 06 degrees 51 minutes 17 seconds East a distance of 13.87 feet to a point for corner;

North 37 degrees 02 minutes 36 seconds West a distance of 15.00 feet to a point for corner;

North 80 degrees 56 minutes 29 seconds West a distance of 13.87 feet to a point for corner, said point being the beginning of a non-tangent curve to the right having a central angle of 5 degrees 37 minutes 33 seconds, a radius of 325.00 feet and being subtended by a 31.90-foot chord which bears North 31 degrees 08 minutes 42 seconds West;

Continuing along said curve to the right, an arc distance of 31.91 feet to the end of said curve;

North 28 degrees 19 minutes 56 seconds West a distance of 69.59 feet to a point for corner;

North 16 degrees 40 minutes 04 seconds East a distance of 14.14 feet to a point for corner;

North 61 degrees 40 minutes 04 seconds East a distance of 26.79 feet to the beginning of a curve to the left having a central angle of 32 degrees 00 minutes 23 seconds, a radius of 375.00 feet and being subtended by a 206.77 foot chord which bears North 45 degrees 39 minutes 52 seconds East;

Continuing along said curve to the left, an arc distance of 209.48 feet to a point for corner at the end of said curve;

North 72 degrees 56 minutes 33 seconds East a distance of 14.38 feet to a point for corner;

North 28 degrees 07 minutes 39 seconds East a distance of 15.00 feet to a point for corner;

North 19 degrees 46 minutes 57 seconds West a distance of 14.59 feet to a point for corner, said point being the beginning of a non-tangent curve to the left having a central angle of 0 degrees 45 minutes 22 seconds, a radius of 375.00 feet and being subtended by a 4.95-foot chord which bears North 23 degrees 56 minutes 07 seconds East;

Continuing along said curve to the left, an arc distance of 4.95 feet to the end of said curve;

North 23 degrees 33 minutes 26 seconds East a distance of 510.39 feet to the beginning of a curve to the right having a central angle of 19 degrees 36 minutes 04 seconds, a radius of 575.00 feet and being subtended by a 195.75-foot chord which bears North 33 degrees 21 minutes 28 seconds East;

Continuing along said curve to the right, an arc distance 196.71 feet to a point for corner at the end of said curve;

North 88 degrees 35 minutes 41 seconds East a distance of 14.12 feet to a point for corner;

South 46 degrees 24 minutes 19 seconds East a distance of 10.53 feet to a point for corner;

North 43 degrees 33 minutes 19 seconds East a distance of 50.00 feet to a point for corner;

North 46 degrees 24 minutes 19 seconds West a distance of 10.49 feet to a point for corner;

North 01 degrees 24 minutes 19 seconds West a distance of 14.14 feet to a point for corner;

North 43 degrees 35 minutes 41 seconds East a distance of 105.00 feet to a point for corner;

North 88 degrees 35 minutes 41 seconds East a distance of 28.28 feet to a point for corner;

South 46 degrees 24 minutes 19 seconds East along a line being parallel with and 40.00 feet southwesterly of the northeast line of said Parker Creek Estates LP tracts, a distance of 1,395.30 feet to the POINT OF BEGINNING and CONTAINING 1,344,482 square feet or 30.87 acres of land, more or less.

APPENDIX A-1 – BUYER DISCLOSURE FOR 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 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$18,974.86

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Waterscape 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 City of Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Annual Installment Due 1/31	Outstanding Improvement Area #1 Initial Bonds			Improvement Area #1 Additional Bonds			Annual Collection Costs	Annual Installment ^[d]
	Principal	Interest ^[a]	Additional Interest	Principal	Interest ^[b]	Additional Interest		
2025	\$ 237.61	\$ 510.86	\$ 51.85	\$ 203.67	\$ 376.46	\$ 43.02	\$ 74.36	\$ 1,497.83
2026	\$ 254.58	\$ 500.76	\$ 50.66	\$ 203.67	\$ 368.57	\$ 42.01	\$ 75.84	\$ 1,496.10
2027	\$ 254.58	\$ 489.94	\$ 49.39	\$ 220.64	\$ 360.68	\$ 40.99	\$ 77.36	\$ 1,493.58
2028	\$ 271.55	\$ 479.12	\$ 48.12	\$ 220.64	\$ 352.13	\$ 39.88	\$ 78.91	\$ 1,490.36
2029	\$ 288.53	\$ 467.58	\$ 46.76	\$ 220.64	\$ 343.58	\$ 38.78	\$ 80.49	\$ 1,486.35
2030	\$ 305.50	\$ 453.16	\$ 45.32	\$ 220.64	\$ 335.03	\$ 37.68	\$ 82.10	\$ 1,479.41
2031	\$ 305.50	\$ 437.88	\$ 13.49	\$ 288.53	\$ 325.38	\$ 36.57	\$ 83.74	\$ 1,491.09
2032	\$ 322.47	\$ 422.61	\$ -	\$ 305.50	\$ 312.75	\$ 35.13	\$ 85.41	\$ 1,483.88
2033	\$ 339.44	\$ 406.48	\$ -	\$ 322.47	\$ 299.39	\$ 33.60	\$ 87.12	\$ 1,488.51
2034	\$ 356.42	\$ 389.51	\$ -	\$ 322.47	\$ 285.28	\$ 31.99	\$ 88.86	\$ 1,474.53
2035	\$ 373.39	\$ 371.69	\$ -	\$ 339.44	\$ 271.17	\$ 30.38	\$ 90.64	\$ 1,476.71
2036	\$ 407.33	\$ 353.02	\$ -	\$ 339.44	\$ 256.32	\$ 28.68	\$ 92.45	\$ 1,477.25
2037	\$ 424.30	\$ 332.65	\$ -	\$ 356.42	\$ 241.47	\$ 26.99	\$ 94.30	\$ 1,476.13
2038	\$ 441.28	\$ 311.44	\$ -	\$ 373.39	\$ 225.88	\$ 25.20	\$ 96.19	\$ 1,473.37
2039	\$ 458.25	\$ 289.38	\$ -	\$ 390.36	\$ 209.54	\$ 23.34	\$ 98.11	\$ 1,468.98
2040	\$ 492.19	\$ 266.46	\$ -	\$ 390.36	\$ 192.46	\$ 21.38	\$ 100.08	\$ 1,462.94
2041	\$ 509.16	\$ 241.85	\$ -	\$ 424.30	\$ 174.90	\$ 19.43	\$ 102.08	\$ 1,471.73
2042	\$ 526.14	\$ 216.39	\$ -	\$ 441.28	\$ 155.80	\$ 17.31	\$ 104.12	\$ 1,461.04
2043	\$ 560.08	\$ 190.09	\$ -	\$ 458.25	\$ 135.95	\$ 15.11	\$ 106.20	\$ 1,465.67
2044	\$ 594.03	\$ 162.08	\$ -	\$ 458.25	\$ 115.33	\$ 12.81	\$ 108.33	\$ 1,450.82
2045	\$ 611.00	\$ 132.38	\$ -	\$ 492.19	\$ 94.70	\$ 10.52	\$ 110.49	\$ 1,451.29
2046	\$ 644.94	\$ 101.83	\$ -	\$ 509.16	\$ 72.56	\$ 8.06	\$ 112.70	\$ 1,449.26
2047	\$ 678.89	\$ 69.59	\$ -	\$ 543.11	\$ 49.64	\$ 5.52	\$ 114.96	\$ 1,461.70
2048	\$ 712.83	\$ 35.64	\$ -	\$ 560.08	\$ 25.20	\$ 2.80	\$ 117.25	\$ 1,453.81
Total	\$ 10,369.98	\$ 7,632.42	\$ 305.58	\$ 8,604.88	\$ 5,580.19	\$ 627.21	\$ 2,262.10	\$ 35,382.36

Footnotes:

[a] Actual interest rate on Improvement Area #1 Bonds is 4.250% for term bonds due September 15, 2028, and 5.000% for term bonds due September 15, 2048.

[b] Actual interest rate on Improvement Area #1 Additional Bonds is 3.500% for term bonds due September 15, 2024, 3.875% for term bonds due September 15, 2029, 4.375% for term bonds due September 15, 2039, and 4.500% for term bonds due September 15, 2048.

[c] The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX A-2 – BUYER DISCLOSURE FOR LOT TYPE 2

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$22,769.89

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Waterscape 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 City of Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 2

Annual Installment Due 1/31	Outstanding Improvement Area #1 Initial Bonds			Improvement Area #1 Additional Bonds			Annual Collection Costs	Annual Installment ^[c]
	Principal	Interest ^[a]	Additional Interest	Principal	Interest ^[b]	Additional Interest		
2025	\$ 285.13	\$ 613.04	\$ 62.22	\$ 244.40	\$ 451.76	\$ 51.63	\$ 89.23	\$ 1,797.40
2026	\$ 305.50	\$ 600.92	\$ 60.79	\$ 244.40	\$ 442.29	\$ 50.41	\$ 91.01	\$ 1,795.32
2027	\$ 305.50	\$ 587.93	\$ 59.27	\$ 264.77	\$ 432.82	\$ 49.19	\$ 92.83	\$ 1,792.30
2028	\$ 325.87	\$ 574.95	\$ 57.74	\$ 264.77	\$ 422.56	\$ 47.86	\$ 94.69	\$ 1,788.43
2029	\$ 346.23	\$ 561.10	\$ 56.11	\$ 264.77	\$ 412.30	\$ 46.54	\$ 96.58	\$ 1,783.63
2030	\$ 366.60	\$ 543.79	\$ 54.38	\$ 264.77	\$ 402.04	\$ 45.21	\$ 98.52	\$ 1,775.30
2031	\$ 366.60	\$ 525.46	\$ 16.19	\$ 346.23	\$ 390.45	\$ 43.89	\$ 100.49	\$ 1,789.31
2032	\$ 386.97	\$ 507.13	\$ -	\$ 366.60	\$ 375.31	\$ 42.16	\$ 102.50	\$ 1,780.66
2033	\$ 407.33	\$ 487.78	\$ -	\$ 386.97	\$ 359.27	\$ 40.33	\$ 104.55	\$ 1,786.22
2034	\$ 427.70	\$ 467.41	\$ -	\$ 386.97	\$ 342.34	\$ 38.39	\$ 106.64	\$ 1,769.45
2035	\$ 448.07	\$ 446.03	\$ -	\$ 407.33	\$ 325.41	\$ 36.46	\$ 108.77	\$ 1,772.06
2036	\$ 488.80	\$ 423.63	\$ -	\$ 407.33	\$ 307.59	\$ 34.42	\$ 110.95	\$ 1,772.71
2037	\$ 509.17	\$ 399.19	\$ -	\$ 427.70	\$ 289.77	\$ 32.38	\$ 113.16	\$ 1,771.36
2038	\$ 529.53	\$ 373.73	\$ -	\$ 448.07	\$ 271.05	\$ 30.24	\$ 115.43	\$ 1,768.05
2039	\$ 549.90	\$ 347.25	\$ -	\$ 468.43	\$ 251.45	\$ 28.00	\$ 117.74	\$ 1,762.77
2040	\$ 590.63	\$ 319.76	\$ -	\$ 468.43	\$ 230.96	\$ 25.66	\$ 120.09	\$ 1,755.53
2041	\$ 611.00	\$ 290.22	\$ -	\$ 509.17	\$ 209.88	\$ 23.32	\$ 122.49	\$ 1,766.08
2042	\$ 631.37	\$ 259.67	\$ -	\$ 529.53	\$ 186.97	\$ 20.77	\$ 124.94	\$ 1,753.25
2043	\$ 672.10	\$ 228.11	\$ -	\$ 549.90	\$ 163.14	\$ 18.13	\$ 127.44	\$ 1,758.81
2044	\$ 712.83	\$ 194.50	\$ -	\$ 549.90	\$ 138.39	\$ 15.38	\$ 129.99	\$ 1,740.99
2045	\$ 733.20	\$ 158.86	\$ -	\$ 590.63	\$ 113.65	\$ 12.63	\$ 132.59	\$ 1,741.55
2046	\$ 773.93	\$ 122.20	\$ -	\$ 611.00	\$ 87.07	\$ 9.67	\$ 135.24	\$ 1,739.11
2047	\$ 814.67	\$ 83.50	\$ -	\$ 651.73	\$ 59.57	\$ 6.62	\$ 137.95	\$ 1,754.04
2048	\$ 855.40	\$ 42.77	\$ -	\$ 672.10	\$ 30.24	\$ 3.36	\$ 140.71	\$ 1,744.58
Total	\$ 12,444.01	\$ 9,158.92	\$ 366.70	\$ 10,325.88	\$ 6,696.24	\$ 752.65	\$ 2,714.53	\$ 42,458.93

Footnotes:

[a] Actual interest rate on Improvement Area #1 Bonds is 4.25% for term bonds due September 15, 2028, and 5.00% for term bonds due September 15, 2048.

[b] Actual interest rate on Improvement Area #1 Additional Bonds is 3.500% for term bonds due September 15, 2024, 3.875% for term bonds due September 15, 2029, 4.375% for term bonds due September 15, 2039, and 4.500% for term bonds due September 15, 2048.

[c] The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX A-3 – BUYER DISCLOSURE FOR LOT TYPE 3

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 3 PRINCIPAL ASSESSMENT: \$27,338.49

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Waterscape 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 City of Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 3

	Improvement Area #2 Bonds		Major Improvement Area Bonds ^[a]		Total		
Annual Installment Due 1/31	Principal	Interest ^[b]	Principal	Interest ^[c]	Additional Interest	Annual Collection Costs	Annual Installment ^[d]
2025	\$ 467.57	\$ 1,013.06	\$ 120.19	\$ 285.46	\$ 136.69	\$ 104.72	\$ 2,127.68
2026	\$ 481.32	\$ 993.77	\$ 126.20	\$ 279.75	\$ 133.75	\$ 106.81	\$ 2,121.61
2027	\$ 508.83	\$ 973.92	\$ 132.21	\$ 273.75	\$ 130.72	\$ 108.95	\$ 2,128.37
2028	\$ 536.33	\$ 952.93	\$ 138.21	\$ 267.48	\$ 127.51	\$ 111.13	\$ 2,133.59
2029	\$ 550.08	\$ 930.81	\$ 144.22	\$ 260.91	\$ 124.14	\$ 113.35	\$ 2,123.51
2030	\$ 577.59	\$ 908.12	\$ 150.23	\$ 253.34	\$ 120.67	\$ 115.62	\$ 2,125.56
2031	\$ 605.09	\$ 881.40	\$ 162.25	\$ 245.45	\$ 117.03	\$ 117.93	\$ 2,129.15
2032	\$ 632.59	\$ 853.42	\$ 168.26	\$ 236.93	\$ 113.19	\$ 120.29	\$ 2,124.68
2033	\$ 660.10	\$ 824.16	\$ 180.28	\$ 228.10	\$ 109.19	\$ 122.69	\$ 2,124.52
2034	\$ 701.35	\$ 793.63	\$ 186.29	\$ 218.63	\$ 104.98	\$ 125.15	\$ 2,130.04
2035	\$ 728.86	\$ 761.19	\$ 198.31	\$ 208.85	\$ 100.55	\$ 127.65	\$ 2,125.41
2036	\$ 770.11	\$ 727.48	\$ 210.33	\$ 198.44	\$ 95.91	\$ 130.20	\$ 2,132.48
2037	\$ 797.62	\$ 691.86	\$ 222.35	\$ 187.40	\$ 91.01	\$ 132.81	\$ 2,123.04
2038	\$ 852.63	\$ 654.97	\$ 228.35	\$ 175.73	\$ 85.91	\$ 135.46	\$ 2,133.05
2039	\$ 880.13	\$ 615.54	\$ 246.38	\$ 163.74	\$ 80.50	\$ 138.17	\$ 2,124.47
2040	\$ 921.39	\$ 574.83	\$ 258.40	\$ 150.80	\$ 74.87	\$ 140.94	\$ 2,121.23
2041	\$ 976.39	\$ 531.07	\$ 270.42	\$ 137.24	\$ 68.97	\$ 143.75	\$ 2,127.85
2042	\$ 1,017.65	\$ 484.69	\$ 288.45	\$ 123.04	\$ 62.74	\$ 146.63	\$ 2,123.20
2043	\$ 1,072.66	\$ 436.35	\$ 300.47	\$ 107.90	\$ 56.21	\$ 149.56	\$ 2,123.14
2044	\$ 1,127.67	\$ 385.40	\$ 318.49	\$ 92.12	\$ 49.34	\$ 152.55	\$ 2,125.58
2045	\$ 1,182.67	\$ 331.84	\$ 336.52	\$ 75.40	\$ 42.11	\$ 155.60	\$ 2,124.15
2046	\$ 1,237.68	\$ 275.66	\$ 348.54	\$ 57.73	\$ 34.52	\$ 158.72	\$ 2,112.85
2047	\$ 1,306.44	\$ 216.87	\$ 366.57	\$ 39.44	\$ 26.58	\$ 161.89	\$ 2,117.79
2048	\$ 1,375.20	\$ 154.81	\$ 384.60	\$ 20.19	\$ 18.22	\$ 165.13	\$ 2,118.15
2049	\$ 1,884.03	\$ 89.49	\$ -	\$ -	\$ 9.42	\$ 132.74	\$ 2,115.68
Total	\$ 21,851.98	\$ 16,057.28	\$ 5,486.52	\$ 4,287.84	\$ 2,114.73	\$ 3,318.44	\$ 53,116.78

Footnotes:

[a] Represents portion of Major Improvement Area Assessment allocable to Lots within Improvement Area #2.

[b] Actual interest rates for Improvement Area #2 Bonds with a 2024, 2029, 2039 and 2049 maturity are 3.750%, 4.125%, 4.625% and 4.750% respectively.

[c] Actual interest rate on Major Improvement Area Bonds is 4.75% for term bonds due September 15, 2028, and 5.25% for term bonds due September 15, 2048.

[d] Not inclusive of TIRZ No. 1 Annual Credit Amount. The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, 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 A-4 – BUYER DISCLOSURE FOR LOT TYPE 4

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 4 PRINCIPAL ASSESSMENT: \$29,264.78

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Waterscape 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 City of Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 4

Annual Installment Due 1/31	Improvement Area #2 Bonds		Major Improvement Area Bonds ^[a]		Total		
	Principal	Interest ^[b]	Principal	Interest ^[c]	Additional Interest	Annual Collection Costs	Annual Installment ^[d]
2025	\$ 500.51	\$ 1,084.44	\$ 128.65	\$ 305.57	\$ 146.32	\$ 112.10	\$ 2,277.60
2026	\$ 515.24	\$ 1,063.80	\$ 135.09	\$ 299.46	\$ 143.18	\$ 114.34	\$ 2,271.09
2027	\$ 544.68	\$ 1,042.54	\$ 141.52	\$ 293.04	\$ 139.93	\$ 116.62	\$ 2,278.33
2028	\$ 574.12	\$ 1,020.07	\$ 147.95	\$ 286.32	\$ 136.50	\$ 118.96	\$ 2,283.92
2029	\$ 588.84	\$ 996.39	\$ 154.39	\$ 279.29	\$ 132.89	\$ 121.34	\$ 2,273.13
2030	\$ 618.28	\$ 972.10	\$ 160.82	\$ 271.19	\$ 129.17	\$ 123.76	\$ 2,275.32
2031	\$ 647.72	\$ 943.51	\$ 173.68	\$ 262.75	\$ 125.27	\$ 126.24	\$ 2,279.17
2032	\$ 677.17	\$ 913.55	\$ 180.12	\$ 253.63	\$ 121.17	\$ 128.76	\$ 2,274.39
2033	\$ 706.61	\$ 882.23	\$ 192.98	\$ 244.17	\$ 116.88	\$ 131.34	\$ 2,274.21
2034	\$ 750.77	\$ 849.55	\$ 199.42	\$ 234.04	\$ 112.38	\$ 133.96	\$ 2,280.12
2035	\$ 780.21	\$ 814.83	\$ 212.28	\$ 223.57	\$ 107.63	\$ 136.64	\$ 2,275.17
2036	\$ 824.38	\$ 778.74	\$ 225.15	\$ 212.43	\$ 102.67	\$ 139.38	\$ 2,282.74
2037	\$ 853.82	\$ 740.61	\$ 238.01	\$ 200.61	\$ 97.42	\$ 142.16	\$ 2,272.64
2038	\$ 912.70	\$ 701.12	\$ 244.44	\$ 188.11	\$ 91.96	\$ 145.01	\$ 2,283.35
2039	\$ 942.14	\$ 658.91	\$ 263.74	\$ 175.28	\$ 86.18	\$ 147.91	\$ 2,274.16
2040	\$ 986.31	\$ 615.34	\$ 276.61	\$ 161.43	\$ 80.15	\$ 150.87	\$ 2,270.70
2041	\$ 1,045.19	\$ 568.49	\$ 289.47	\$ 146.91	\$ 73.83	\$ 153.88	\$ 2,277.78
2042	\$ 1,089.35	\$ 518.84	\$ 308.77	\$ 131.71	\$ 67.16	\$ 156.96	\$ 2,272.80
2043	\$ 1,148.24	\$ 467.10	\$ 321.64	\$ 115.50	\$ 60.17	\$ 160.10	\$ 2,272.74
2044	\$ 1,207.12	\$ 412.56	\$ 340.94	\$ 98.61	\$ 52.82	\$ 163.30	\$ 2,275.35
2045	\$ 1,266.01	\$ 355.22	\$ 360.23	\$ 80.71	\$ 45.08	\$ 166.57	\$ 2,273.82
2046	\$ 1,324.89	\$ 295.08	\$ 373.10	\$ 61.80	\$ 36.95	\$ 169.90	\$ 2,261.72
2047	\$ 1,398.50	\$ 232.15	\$ 392.40	\$ 42.21	\$ 28.46	\$ 173.30	\$ 2,267.01
2048	\$ 1,472.10	\$ 165.72	\$ 411.70	\$ 21.61	\$ 19.50	\$ 176.76	\$ 2,267.40
2049	\$ 2,016.78	\$ 95.80	\$ -	\$ -	\$ 10.08	\$ 142.09	\$ 2,264.75
Total	\$ 23,391.68	\$ 17,188.69	\$ 5,873.10	\$ 4,589.96	\$ 2,263.73	\$ 3,552.26	\$ 56,859.42

Footnotes:

[a] Represents portion of Major Improvement Area Assessment allocable to Lots within Improvement Area #2.

[b] Actual interest rates for Improvement Area #2 Bonds with a 2024, 2029, 2039 and 2049 maturity are 3.750%, 4.125%, 4.625% and 4.750% respectively.

[c] Actual interest rate on Major Improvement Area Bonds is 4.75% for term bonds due September 15, 2028, and 5.25% for term bonds due September 15, 2048.

[d] Not inclusive of TIRZ No. 1 Annual Credit Amount. The figures shown above are estimates only and subject to change in annual service plan updates.

Changes in administrative expenses, 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 A-5 – BUYER DISCLOSURE FOR LOT TYPE 5

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 5 PRINCIPAL ASSESSMENT: \$25,648.43

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Waterscape 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 City of Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 5

Annual Installment Due 1/31	Improvement Area #3 Bonds		Major Improvement Area Bonds ^[a]		Total		
	Principal	Interest ^[b]	Principal	Interest ^[c]	Additional Interest	Annual Collection Costs	Annual Installment ^[d]
2025	\$ 308.04	\$ 1,172.59	\$ 103.98	\$ 246.97	\$ 128.24	\$ 97.28	\$ 2,057.10
2026	\$ 323.98	\$ 1,157.95	\$ 109.18	\$ 242.03	\$ 126.18	\$ 99.23	\$ 2,058.55
2027	\$ 337.25	\$ 1,142.57	\$ 114.38	\$ 236.84	\$ 124.02	\$ 101.22	\$ 2,056.27
2028	\$ 353.19	\$ 1,126.55	\$ 119.58	\$ 231.41	\$ 121.76	\$ 103.24	\$ 2,055.71
2029	\$ 371.78	\$ 1,108.45	\$ 124.78	\$ 225.73	\$ 119.39	\$ 105.30	\$ 2,055.42
2030	\$ 390.36	\$ 1,089.39	\$ 129.97	\$ 219.18	\$ 116.91	\$ 107.41	\$ 2,053.23
2031	\$ 408.95	\$ 1,069.39	\$ 140.37	\$ 212.35	\$ 114.31	\$ 109.56	\$ 2,054.93
2032	\$ 430.20	\$ 1,048.43	\$ 145.57	\$ 204.98	\$ 111.56	\$ 111.75	\$ 2,052.49
2033	\$ 454.10	\$ 1,026.38	\$ 155.97	\$ 197.34	\$ 108.68	\$ 113.98	\$ 2,056.46
2034	\$ 478.00	\$ 1,000.84	\$ 161.17	\$ 189.15	\$ 105.63	\$ 116.26	\$ 2,051.05
2035	\$ 504.55	\$ 973.95	\$ 171.57	\$ 180.69	\$ 102.44	\$ 118.59	\$ 2,051.79
2036	\$ 533.76	\$ 945.57	\$ 181.96	\$ 171.68	\$ 99.06	\$ 120.96	\$ 2,053.00
2037	\$ 565.63	\$ 915.54	\$ 192.36	\$ 162.13	\$ 95.48	\$ 123.38	\$ 2,054.53
2038	\$ 597.50	\$ 883.73	\$ 197.56	\$ 152.03	\$ 91.69	\$ 125.85	\$ 2,048.35
2039	\$ 632.02	\$ 850.12	\$ 213.16	\$ 141.66	\$ 87.71	\$ 128.37	\$ 2,053.03
2040	\$ 666.54	\$ 814.57	\$ 223.56	\$ 130.47	\$ 83.49	\$ 130.93	\$ 2,049.55
2041	\$ 706.37	\$ 777.07	\$ 233.95	\$ 118.73	\$ 79.04	\$ 133.55	\$ 2,048.72
2042	\$ 746.21	\$ 737.34	\$ 249.55	\$ 106.45	\$ 74.34	\$ 136.22	\$ 2,050.11
2043	\$ 788.69	\$ 695.37	\$ 259.95	\$ 93.35	\$ 69.36	\$ 138.95	\$ 2,045.66
2044	\$ 836.49	\$ 650.02	\$ 275.55	\$ 79.70	\$ 64.11	\$ 141.73	\$ 2,047.60
2045	\$ 886.95	\$ 601.92	\$ 291.14	\$ 65.23	\$ 58.55	\$ 144.56	\$ 2,048.36
2046	\$ 940.06	\$ 550.92	\$ 301.54	\$ 49.95	\$ 52.66	\$ 147.45	\$ 2,042.58
2047	\$ 995.83	\$ 496.86	\$ 317.14	\$ 34.12	\$ 46.45	\$ 150.40	\$ 2,040.80
2048	\$ 1,056.90	\$ 439.60	\$ 332.74	\$ 17.47	\$ 39.89	\$ 153.41	\$ 2,040.01
2049	\$ 1,505.69	\$ 378.83	\$ -	\$ -	\$ 32.94	\$ 125.60	\$ 2,043.06
2050	\$ 1,595.98	\$ 292.26	\$ -	\$ -	\$ 25.41	\$ 128.11	\$ 2,041.76
2051	\$ 1,691.58	\$ 200.49	\$ -	\$ -	\$ 17.43	\$ 130.67	\$ 2,040.17
2052	\$ 1,795.14	\$ 103.22	\$ -	\$ -	\$ 8.98	\$ 133.29	\$ 2,040.63
Total	\$ 20,901.75	\$ 22,249.88	\$ 4,746.69	\$ 3,709.64	\$ 2,305.73	\$ 3,477.25	\$ 57,390.94

Footnotes:

[a] Represents portion of Major Improvement Area Assessment allocable to Lots within Improvement Area #3.

[b] Interest rate for Improvement Area #3 Bonds is calculated at 4.750%, 5.125%, 5.625%, and 5.750% for term bonds maturing September 15, 2027, 2032, 2042 and 2052 respectively.

[c] Actual interest rate on Major Improvement Area Bonds is 4.75% for term bonds due September 15, 2028, and 5.25% for term bonds due September 15, 2048.

[d] Not inclusive of TIRZ No. 1 Annual Credit Amount. The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, 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 A-6 – BUYER DISCLOSURE FOR LOT TYPE 6

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 6 PRINCIPAL ASSESSMENT: \$29,312.49

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Waterscape 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 City of Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 6

Annual Installment Due 1/31	Improvement Area #3 Bonds		Major Improvement Area Bonds ^[a]		Total		
	Principal	Interest ^[b]	Principal	Interest ^[c]	Additional Interest	Annual Collection Costs	Annual Installment ^[d]
2025	\$ 352.05	\$ 1,340.10	\$ 118.83	\$ 282.25	\$ 146.56	\$ 111.18	\$ 2,350.97
2026	\$ 370.26	\$ 1,323.38	\$ 124.78	\$ 276.60	\$ 144.21	\$ 113.41	\$ 2,352.63
2027	\$ 385.43	\$ 1,305.79	\$ 130.72	\$ 270.67	\$ 141.73	\$ 115.67	\$ 2,350.02
2028	\$ 403.64	\$ 1,287.48	\$ 136.66	\$ 264.47	\$ 139.15	\$ 117.99	\$ 2,349.39
2029	\$ 424.89	\$ 1,266.79	\$ 142.60	\$ 257.97	\$ 136.45	\$ 120.35	\$ 2,349.05
2030	\$ 446.13	\$ 1,245.02	\$ 148.54	\$ 250.49	\$ 133.61	\$ 122.75	\$ 2,346.55
2031	\$ 467.37	\$ 1,222.15	\$ 160.43	\$ 242.69	\$ 130.64	\$ 125.21	\$ 2,348.49
2032	\$ 491.65	\$ 1,198.20	\$ 166.37	\$ 234.27	\$ 127.50	\$ 127.71	\$ 2,345.71
2033	\$ 518.97	\$ 1,173.00	\$ 178.25	\$ 225.53	\$ 124.21	\$ 130.27	\$ 2,350.24
2034	\$ 546.28	\$ 1,143.81	\$ 184.19	\$ 216.17	\$ 120.72	\$ 132.87	\$ 2,344.06
2035	\$ 576.63	\$ 1,113.08	\$ 196.08	\$ 206.50	\$ 117.07	\$ 135.53	\$ 2,344.90
2036	\$ 610.02	\$ 1,080.65	\$ 207.96	\$ 196.21	\$ 113.21	\$ 138.24	\$ 2,346.28
2037	\$ 646.43	\$ 1,046.34	\$ 219.84	\$ 185.29	\$ 109.12	\$ 141.01	\$ 2,348.03
2038	\$ 682.85	\$ 1,009.97	\$ 225.79	\$ 173.75	\$ 104.79	\$ 143.83	\$ 2,340.98
2039	\$ 722.31	\$ 971.56	\$ 243.61	\$ 161.90	\$ 100.24	\$ 146.70	\$ 2,346.32
2040	\$ 761.76	\$ 930.93	\$ 255.49	\$ 149.11	\$ 95.41	\$ 149.64	\$ 2,342.35
2041	\$ 807.28	\$ 888.08	\$ 267.38	\$ 135.69	\$ 90.33	\$ 152.63	\$ 2,341.40
2042	\$ 852.81	\$ 842.67	\$ 285.20	\$ 121.66	\$ 84.96	\$ 155.68	\$ 2,342.98
2043	\$ 901.37	\$ 794.70	\$ 297.09	\$ 106.68	\$ 79.27	\$ 158.80	\$ 2,337.90
2044	\$ 955.99	\$ 742.88	\$ 314.91	\$ 91.09	\$ 73.27	\$ 161.97	\$ 2,340.11
2045	\$ 1,013.66	\$ 687.91	\$ 332.74	\$ 74.55	\$ 66.92	\$ 165.21	\$ 2,340.98
2046	\$ 1,074.36	\$ 629.62	\$ 344.62	\$ 57.09	\$ 60.19	\$ 168.52	\$ 2,334.38
2047	\$ 1,138.09	\$ 567.85	\$ 362.44	\$ 38.99	\$ 53.09	\$ 171.89	\$ 2,332.35
2048	\$ 1,207.89	\$ 502.41	\$ 380.27	\$ 19.96	\$ 45.59	\$ 175.32	\$ 2,331.44
2049	\$ 1,720.79	\$ 432.95	\$ -	\$ -	\$ 37.65	\$ 143.54	\$ 2,334.93
2050	\$ 1,823.98	\$ 334.01	\$ -	\$ -	\$ 29.04	\$ 146.41	\$ 2,333.44
2051	\$ 1,933.23	\$ 229.13	\$ -	\$ -	\$ 19.92	\$ 149.34	\$ 2,331.62
2052	\$ 2,051.59	\$ 117.97	\$ -	\$ -	\$ 10.26	\$ 152.33	\$ 2,332.14
Total	\$ 23,887.71	\$ 25,428.44	\$ 5,424.79	\$ 4,239.59	\$ 2,635.12	\$ 3,974.00	\$ 65,589.65

Footnotes:

[a] Represents portion of Major Improvement Area Assessment allocable to Lots within Improvement Area #3.

[b] Interest rate for Improvement Area #3 Bonds is calculated at 4.750%, 5.125%, 5.625%, and 5.750% for term bonds maturing September 15, 2027, 2032, 2042 and 2052 respectively.

[c] Actual interest rate on Major Improvement Area Bonds is 4.75% for term bonds due September 15, 2028, and 5.25% for term bonds due September 15, 2048.

[d] Not inclusive of TIRZ No. 1 Annual Credit Amount. The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, 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 A-7 – BUYER DISCLOSURE FOR LOT TYPE 7

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 7 PRINCIPAL ASSESSMENT: \$32,976.56

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Waterscape 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 City of Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 7

Annual Installment Due 1/31	Improvement Area #3 Bonds		Major Improvement Area Bonds ^[a]		Total		
	Principal	Interest ^[b]	Principal	Interest ^[c]	Additional Interest	Annual Collection Costs	Annual Installment ^[d]
2025	\$ 396.05	\$ 1,507.61	\$ 133.69	\$ 317.53	\$ 164.88	\$ 125.08	\$ 2,644.84
2026	\$ 416.54	\$ 1,488.80	\$ 140.37	\$ 311.18	\$ 162.23	\$ 127.58	\$ 2,646.70
2027	\$ 433.61	\$ 1,469.01	\$ 147.06	\$ 304.51	\$ 159.45	\$ 130.13	\$ 2,643.77
2028	\$ 454.10	\$ 1,448.42	\$ 153.74	\$ 297.52	\$ 156.55	\$ 132.74	\$ 2,643.06
2029	\$ 478.00	\$ 1,425.14	\$ 160.43	\$ 290.22	\$ 153.51	\$ 135.39	\$ 2,642.69
2030	\$ 501.90	\$ 1,400.65	\$ 167.11	\$ 281.80	\$ 150.31	\$ 138.10	\$ 2,639.87
2031	\$ 525.80	\$ 1,374.92	\$ 180.48	\$ 273.03	\$ 146.97	\$ 140.86	\$ 2,642.06
2032	\$ 553.11	\$ 1,347.98	\$ 187.16	\$ 263.55	\$ 143.44	\$ 143.68	\$ 2,638.92
2033	\$ 583.84	\$ 1,319.63	\$ 200.53	\$ 253.72	\$ 139.74	\$ 146.55	\$ 2,644.02
2034	\$ 614.57	\$ 1,286.79	\$ 207.22	\$ 243.20	\$ 135.82	\$ 149.48	\$ 2,637.07
2035	\$ 648.71	\$ 1,252.22	\$ 220.59	\$ 232.32	\$ 131.71	\$ 152.47	\$ 2,638.01
2036	\$ 686.27	\$ 1,215.73	\$ 233.95	\$ 220.74	\$ 127.36	\$ 155.52	\$ 2,639.57
2037	\$ 727.24	\$ 1,177.13	\$ 247.32	\$ 208.45	\$ 122.76	\$ 158.63	\$ 2,641.53
2038	\$ 768.21	\$ 1,136.22	\$ 254.01	\$ 195.47	\$ 117.89	\$ 161.81	\$ 2,633.60
2039	\$ 812.59	\$ 1,093.01	\$ 274.06	\$ 182.13	\$ 112.77	\$ 165.04	\$ 2,639.61
2040	\$ 856.98	\$ 1,047.30	\$ 287.43	\$ 167.75	\$ 107.34	\$ 168.34	\$ 2,635.14
2041	\$ 908.19	\$ 999.09	\$ 300.80	\$ 152.66	\$ 101.62	\$ 171.71	\$ 2,634.07
2042	\$ 959.41	\$ 948.01	\$ 320.85	\$ 136.86	\$ 95.57	\$ 175.14	\$ 2,635.85
2043	\$ 1,014.04	\$ 894.04	\$ 334.22	\$ 120.02	\$ 89.17	\$ 178.65	\$ 2,630.14
2044	\$ 1,075.49	\$ 835.74	\$ 354.27	\$ 102.47	\$ 82.43	\$ 182.22	\$ 2,632.63
2045	\$ 1,140.36	\$ 773.89	\$ 374.33	\$ 83.87	\$ 75.28	\$ 185.86	\$ 2,633.61
2046	\$ 1,208.65	\$ 708.32	\$ 387.70	\$ 64.22	\$ 67.71	\$ 189.58	\$ 2,626.18
2047	\$ 1,280.35	\$ 638.83	\$ 407.75	\$ 43.87	\$ 59.73	\$ 193.37	\$ 2,623.89
2048	\$ 1,358.88	\$ 565.21	\$ 427.80	\$ 22.46	\$ 51.29	\$ 197.24	\$ 2,622.87
2049	\$ 1,935.89	\$ 487.07	\$ -	\$ -	\$ 42.35	\$ 161.48	\$ 2,626.79
2050	\$ 2,051.97	\$ 375.76	\$ -	\$ -	\$ 32.67	\$ 164.71	\$ 2,625.12
2051	\$ 2,174.89	\$ 257.77	\$ -	\$ -	\$ 22.41	\$ 168.01	\$ 2,623.08
2052	\$ 2,308.04	\$ 132.71	\$ -	\$ -	\$ 11.54	\$ 171.37	\$ 2,623.66
Total	\$ 26,873.67	\$ 28,606.99	\$ 6,102.88	\$ 4,769.54	\$ 2,964.51	\$ 4,470.75	\$ 73,788.35

Footnotes:

[a] Represents portion of Major Improvement Area Assessment allocable to Lots within Improvement Area #3.

[b] Interest rate for Improvement Area #3 Bonds is calculated at 4.750%, 5.125%, 5.625%, and 5.750% for term bonds maturing September 15, 2027, 2032, 2042 and 2052 respectively.

[c] Actual interest rate on Major Improvement Area Bonds is 4.75% for term bonds due September 15, 2028, and 5.25% for term bonds due September 15, 2048.

[d] Not inclusive of TIRZ No. 1 Annual Credit Amount. The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, 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 A-8 – BUYER DISCLOSURE FOR LOT TYPE 8

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 8 PRINCIPAL ASSESSMENT: \$24,413.40

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Waterscape 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 City of Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 8

Installments Due 1/31	Improvement Area #4 Bonds		Major Improvement Area Bonds [a]		Additional Interest	Annual Collection Costs	Total Installment
	Principal	Interest [b]	Principal	Interest [b]			
2025	\$ 257.05	\$ 1,122.85	\$ 106.59	\$ 253.17	\$ 122.07	\$ 202.60	\$ 2,064.34
2026	\$ 269.00	\$ 1,110.97	\$ 111.92	\$ 248.11	\$ 120.25	\$ 206.65	\$ 2,066.90
2027	\$ 280.96	\$ 1,098.52	\$ 117.25	\$ 242.79	\$ 118.34	\$ 210.79	\$ 2,068.66
2028	\$ 292.91	\$ 1,085.53	\$ 122.58	\$ 237.22	\$ 116.35	\$ 215.00	\$ 2,069.60
2029	\$ 304.87	\$ 1,071.98	\$ 127.91	\$ 231.40	\$ 114.28	\$ 219.30	\$ 2,069.74
2030	\$ 316.82	\$ 1,057.88	\$ 133.24	\$ 224.69	\$ 112.11	\$ 223.69	\$ 2,068.43
2031	\$ 322.80	\$ 1,043.23	\$ 143.90	\$ 217.69	\$ 109.86	\$ 228.16	\$ 2,065.65
2032	\$ 340.73	\$ 1,028.30	\$ 149.23	\$ 210.14	\$ 107.53	\$ 232.73	\$ 2,068.66
2033	\$ 352.69	\$ 1,008.28	\$ 159.89	\$ 202.30	\$ 105.08	\$ 237.38	\$ 2,065.62
2034	\$ 376.60	\$ 987.56	\$ 165.22	\$ 193.91	\$ 102.52	\$ 242.13	\$ 2,067.93
2035	\$ 394.53	\$ 965.44	\$ 175.88	\$ 185.23	\$ 99.81	\$ 246.97	\$ 2,067.86
2036	\$ 412.47	\$ 942.26	\$ 186.54	\$ 176.00	\$ 96.95	\$ 251.91	\$ 2,066.13
2037	\$ 436.38	\$ 918.03	\$ 197.20	\$ 166.21	\$ 93.96	\$ 256.95	\$ 2,068.72
2038	\$ 460.29	\$ 892.39	\$ 202.53	\$ 155.85	\$ 90.79	\$ 262.09	\$ 2,063.94
2039	\$ 484.20	\$ 865.35	\$ 218.52	\$ 145.22	\$ 87.48	\$ 267.33	\$ 2,068.09
2040	\$ 508.11	\$ 836.90	\$ 229.18	\$ 133.75	\$ 83.96	\$ 272.67	\$ 2,064.57
2041	\$ 538.00	\$ 807.05	\$ 239.84	\$ 121.72	\$ 80.28	\$ 278.13	\$ 2,065.01
2042	\$ 567.89	\$ 775.44	\$ 255.82	\$ 109.13	\$ 76.39	\$ 283.69	\$ 2,068.36
2043	\$ 597.78	\$ 742.08	\$ 266.48	\$ 95.69	\$ 72.27	\$ 289.36	\$ 2,063.67
2044	\$ 633.65	\$ 706.96	\$ 282.47	\$ 81.70	\$ 67.95	\$ 295.15	\$ 2,067.88
2045	\$ 669.51	\$ 669.73	\$ 298.46	\$ 66.87	\$ 63.37	\$ 301.05	\$ 2,069.00
2046	\$ 711.36	\$ 630.40	\$ 309.12	\$ 51.20	\$ 58.53	\$ 307.08	\$ 2,067.68
2047	\$ 753.20	\$ 588.60	\$ 325.11	\$ 34.98	\$ 53.42	\$ 313.22	\$ 2,068.54
2048	\$ 795.05	\$ 544.35	\$ 341.10	\$ 17.91	\$ 48.03	\$ 319.48	\$ 2,065.92
2049	\$ 1,219.47	\$ 497.64	\$ -	\$ -	\$ 42.35	\$ 294.22	\$ 2,053.68
2050	\$ 1,291.20	\$ 426.00	\$ -	\$ -	\$ 36.26	\$ 300.10	\$ 2,053.56
2051	\$ 1,362.94	\$ 350.14	\$ -	\$ -	\$ 29.80	\$ 306.10	\$ 2,048.98
2052	\$ 1,446.63	\$ 270.07	\$ -	\$ -	\$ 22.98	\$ 312.22	\$ 2,051.91
2053	\$ 1,530.32	\$ 185.08	\$ -	\$ -	\$ 15.75	\$ 318.47	\$ 2,049.62
2054	\$ 1,619.98	\$ 95.17	\$ -	\$ -	\$ 8.10	\$ 324.84	\$ 2,048.10
Total	\$ 19,547.40	\$ 23,324.18	\$ 4,866.00	\$ 3,802.89	\$ 2,356.81	\$ 8,019.46	\$ 61,916.74

[a] Represents Major Improvement Area Bonds allocated to Improvement Area #4.

[b] Actual interest rate on the Improvement Area #4 Bonds is 4.625% for term bonds due September 15, 2031, and 5.875% for term bonds due September 15, 2054.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX A-9 – BUYER DISCLOSURE FOR LOT TYPE 9

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 9 PRINCIPAL ASSESSMENT: \$29,297.27

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Waterscape 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 City of Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - LOT TYPE 9

Installments Due 1/31	Improvement Area #4 Bonds		Major Improvement Area Bonds [a]		Additional Interest	Annual Collection Costs	Total Installment
	Principal	Interest [b]	Principal	Interest [b]			
2025	\$ 312.13	\$ 1,363.47	\$ 121.82	\$ 289.34	\$ 146.49	\$ 244.61	\$ 2,477.85
2026	\$ 326.64	\$ 1,349.03	\$ 127.91	\$ 283.55	\$ 144.32	\$ 249.50	\$ 2,480.96
2027	\$ 341.16	\$ 1,333.92	\$ 134.00	\$ 277.48	\$ 142.04	\$ 254.49	\$ 2,483.10
2028	\$ 355.68	\$ 1,318.14	\$ 140.09	\$ 271.11	\$ 139.67	\$ 259.58	\$ 2,484.28
2029	\$ 370.20	\$ 1,301.69	\$ 146.19	\$ 264.46	\$ 137.19	\$ 264.77	\$ 2,484.50
2030	\$ 384.71	\$ 1,284.57	\$ 152.28	\$ 256.78	\$ 134.61	\$ 270.07	\$ 2,483.02
2031	\$ 391.97	\$ 1,266.78	\$ 164.46	\$ 248.79	\$ 131.92	\$ 275.47	\$ 2,479.39
2032	\$ 413.75	\$ 1,248.65	\$ 170.55	\$ 240.16	\$ 129.14	\$ 280.98	\$ 2,483.23
2033	\$ 428.27	\$ 1,224.34	\$ 182.73	\$ 231.20	\$ 126.22	\$ 286.60	\$ 2,479.36
2034	\$ 457.30	\$ 1,199.18	\$ 188.82	\$ 221.61	\$ 123.16	\$ 292.33	\$ 2,482.41
2035	\$ 479.08	\$ 1,172.32	\$ 201.01	\$ 211.70	\$ 119.93	\$ 298.18	\$ 2,482.21
2036	\$ 500.85	\$ 1,144.17	\$ 213.19	\$ 201.14	\$ 116.53	\$ 304.14	\$ 2,480.03
2037	\$ 529.89	\$ 1,114.74	\$ 225.37	\$ 189.95	\$ 112.96	\$ 310.22	\$ 2,483.14
2038	\$ 558.92	\$ 1,083.61	\$ 231.46	\$ 178.12	\$ 109.19	\$ 316.43	\$ 2,477.73
2039	\$ 587.96	\$ 1,050.78	\$ 249.73	\$ 165.97	\$ 105.23	\$ 322.76	\$ 2,482.43
2040	\$ 616.99	\$ 1,016.23	\$ 261.92	\$ 152.86	\$ 101.05	\$ 329.21	\$ 2,478.26
2041	\$ 653.29	\$ 979.99	\$ 274.10	\$ 139.10	\$ 96.65	\$ 335.80	\$ 2,478.93
2042	\$ 689.58	\$ 941.61	\$ 292.37	\$ 124.71	\$ 92.01	\$ 342.51	\$ 2,482.80
2043	\$ 725.88	\$ 901.09	\$ 304.55	\$ 109.37	\$ 87.10	\$ 349.36	\$ 2,477.35
2044	\$ 769.43	\$ 858.45	\$ 322.83	\$ 93.38	\$ 81.95	\$ 356.35	\$ 2,482.38
2045	\$ 812.98	\$ 813.24	\$ 341.10	\$ 76.43	\$ 76.49	\$ 363.48	\$ 2,483.72
2046	\$ 863.79	\$ 765.48	\$ 353.28	\$ 58.52	\$ 70.72	\$ 370.75	\$ 2,482.54
2047	\$ 914.60	\$ 714.73	\$ 371.56	\$ 39.97	\$ 64.64	\$ 378.16	\$ 2,483.66
2048	\$ 965.41	\$ 661.00	\$ 389.83	\$ 20.47	\$ 58.20	\$ 385.73	\$ 2,480.64
2049	\$ 1,480.79	\$ 604.28	\$ -	\$ -	\$ 51.43	\$ 357.26	\$ 2,493.76
2050	\$ 1,567.89	\$ 517.29	\$ -	\$ -	\$ 44.02	\$ 364.41	\$ 2,493.61
2051	\$ 1,655.00	\$ 425.17	\$ -	\$ -	\$ 36.18	\$ 371.70	\$ 2,488.05
2052	\$ 1,756.62	\$ 327.94	\$ -	\$ -	\$ 27.91	\$ 379.13	\$ 2,491.60
2053	\$ 1,858.24	\$ 224.74	\$ -	\$ -	\$ 19.13	\$ 386.71	\$ 2,488.82
2054	\$ 1,967.12	\$ 115.57	\$ -	\$ -	\$ 9.84	\$ 394.45	\$ 2,486.97
Total	\$ 23,736.12	\$ 28,322.22	\$ 5,561.15	\$ 4,346.16	\$ 2,835.93	\$ 9,695.15	\$ 74,496.73

[a] Represents Major Improvement Area Bonds allocated to Improvement Area #4.

[b] Actual interest rate on the Improvement Area #4 Bonds is 4.625% for term bonds due September 15, 2031, and 5.875% for term bonds due September 15, 2054.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

APPENDIX A-10 – BUYER DISCLOSURE FOR IMPROVEMENT AREA #4 INITIAL 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 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ROYSE CITY, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

**IMPROVEMENT AREA #4 INITIAL PARCEL PRINCIPAL ASSESSMENT:
\$4,052,731.35**

As the purchaser of the real property described above, you are obligated to pay assessments to City of Royse City, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Waterscape 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 City of Royse City. The exact amount of each annual installment will be approved each year by the Royse City City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from City of Royse City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #4 INITIAL PARCEL

Installments Due 1/31	Improvement Area #4 Bonds				Outstanding Major Improvement Area Bonds ^[a]				Total Installment ^[c]
	Principal	Interest ^[b]	Additional Interest	Annual Collection Costs	Principal	Interest ^[b]	Additional Interest	Annual Collection Costs	
2025	\$ 43,000	\$ 187,838	\$ 16,350	\$ 30,600	\$ 17,146	\$ 40,725	\$ 3,914	\$ 3,166	\$ 342,738
2026	\$ 45,000	\$ 185,849	\$ 16,135	\$ 31,212	\$ 18,004	\$ 39,910	\$ 3,828	\$ 3,229	\$ 343,167
2027	\$ 47,000	\$ 183,768	\$ 15,910	\$ 31,836	\$ 18,861	\$ 39,055	\$ 3,738	\$ 3,294	\$ 343,461
2028	\$ 49,000	\$ 181,594	\$ 15,675	\$ 32,473	\$ 19,718	\$ 38,159	\$ 3,644	\$ 3,360	\$ 343,622
2029	\$ 51,000	\$ 179,328	\$ 15,430	\$ 33,122	\$ 20,576	\$ 37,223	\$ 3,545	\$ 3,427	\$ 343,650
2030	\$ 53,000	\$ 176,969	\$ 15,175	\$ 33,785	\$ 21,433	\$ 36,142	\$ 3,442	\$ 3,495	\$ 343,441
2031	\$ 54,000	\$ 174,518	\$ 14,910	\$ 34,461	\$ 23,148	\$ 35,017	\$ 3,335	\$ 3,565	\$ 342,953
2032	\$ 57,000	\$ 172,020	\$ 14,640	\$ 35,150	\$ 24,005	\$ 33,802	\$ 3,219	\$ 3,636	\$ 343,472
2033	\$ 59,000	\$ 168,671	\$ 14,355	\$ 35,853	\$ 25,720	\$ 32,542	\$ 3,099	\$ 3,709	\$ 342,949
2034	\$ 63,000	\$ 165,205	\$ 14,060	\$ 36,570	\$ 26,577	\$ 31,191	\$ 2,971	\$ 3,783	\$ 343,357
2035	\$ 66,000	\$ 161,504	\$ 13,745	\$ 37,301	\$ 28,291	\$ 29,796	\$ 2,838	\$ 3,859	\$ 343,334
2036	\$ 69,000	\$ 157,626	\$ 13,415	\$ 38,047	\$ 30,006	\$ 28,311	\$ 2,696	\$ 3,936	\$ 343,038
2037	\$ 73,000	\$ 153,573	\$ 13,070	\$ 38,808	\$ 31,721	\$ 26,735	\$ 2,546	\$ 4,015	\$ 343,468
2038	\$ 77,000	\$ 149,284	\$ 12,705	\$ 39,584	\$ 32,578	\$ 25,070	\$ 2,388	\$ 4,095	\$ 342,704
2039	\$ 81,000	\$ 144,760	\$ 12,320	\$ 40,376	\$ 35,150	\$ 23,360	\$ 2,225	\$ 4,177	\$ 343,368
2040	\$ 85,000	\$ 140,001	\$ 11,915	\$ 41,184	\$ 36,865	\$ 21,514	\$ 2,049	\$ 4,261	\$ 342,789
2041	\$ 90,000	\$ 135,008	\$ 11,490	\$ 42,007	\$ 38,579	\$ 19,579	\$ 1,865	\$ 4,346	\$ 342,874
2042	\$ 95,000	\$ 129,720	\$ 11,040	\$ 42,847	\$ 41,151	\$ 17,554	\$ 1,672	\$ 4,433	\$ 343,417
2043	\$ 100,000	\$ 124,139	\$ 10,565	\$ 43,704	\$ 42,866	\$ 15,393	\$ 1,466	\$ 4,522	\$ 342,655
2044	\$ 106,000	\$ 118,264	\$ 10,065	\$ 44,578	\$ 45,438	\$ 13,143	\$ 1,252	\$ 4,612	\$ 343,351
2045	\$ 112,000	\$ 112,036	\$ 9,535	\$ 45,470	\$ 48,010	\$ 10,757	\$ 1,024	\$ 4,704	\$ 343,537
2046	\$ 119,000	\$ 105,456	\$ 8,975	\$ 46,379	\$ 49,724	\$ 8,237	\$ 784	\$ 4,798	\$ 343,354
2047	\$ 126,000	\$ 98,465	\$ 8,380	\$ 47,307	\$ 52,296	\$ 5,626	\$ 536	\$ 4,894	\$ 343,505
2048	\$ 133,000	\$ 91,063	\$ 7,750	\$ 48,253	\$ 54,868	\$ 2,881	\$ 274	\$ 4,992	\$ 343,081
2049	\$ 204,000	\$ 83,249	\$ 7,085	\$ 49,218	\$ -	\$ -	\$ -	\$ -	\$ 343,552
2050	\$ 216,000	\$ 71,264	\$ 6,065	\$ 50,203	\$ -	\$ -	\$ -	\$ -	\$ 343,531
2051	\$ 228,000	\$ 58,574	\$ 4,985	\$ 51,207	\$ -	\$ -	\$ -	\$ -	\$ 342,765
2052	\$ 242,000	\$ 45,179	\$ 3,845	\$ 52,231	\$ -	\$ -	\$ -	\$ -	\$ 343,254
2053	\$ 256,000	\$ 30,961	\$ 2,635	\$ 53,275	\$ -	\$ -	\$ -	\$ -	\$ 342,872
2054	\$ 271,000	\$ 15,921	\$ 1,355	\$ 54,341	\$ -	\$ -	\$ -	\$ -	\$ 342,617
Total	\$ 3,270,000	\$ 3,901,803	\$ 333,580	\$ 1,241,383	\$ 782,731	\$ 611,722	\$ 58,349	\$ 96,309	\$ 10,295,877

Footnotes:

[a] Represents Major Improvement Area Bonds allocated to Improvement Area #4.

[b] Actual interest rate on the Improvement Area #4 Bonds is 4.625% for term bonds due September 15, 2031, and 5.875% for term bonds due September 15, 2054. Actual interest rate on Major Improvement Area Bonds is 4.75% for term bonds due September 15, 2028, and 5.25% for term bonds due September 15, 2048.

[c] The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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Proposed Form of Opinion of Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

**CITY OF ROYSE CITY, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WATERSCAPE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #4 PROJECT)**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$3,270,000

AS BOND COUNSEL for the City of Royse City, Texas (the "City"), we have examined into the legality and validity of the issue of the bonds described above (the "Bonds"), which bear interest from the date specified in the text of the Bonds, until maturity or prior redemption, at the rates and payable on the dates as stated in the text of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") and the Trust Indenture (as defined below).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the City and other pertinent instruments furnished by the City relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the City upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to governmental immunity, bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the City which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Indenture of Trust between the City and UMB Bank, N.A. (the "Trust Indenture"), (ii) the covenants and agreements in the Trust Indenture constitute valid and binding obligations of the City, (iii) the Bonds constitute valid and legally binding special obligations of the City secured as set forth under the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.

THE CITY has reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners



of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

IT IS FURTHER OUR OPINION that, except as discussed below, the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or if the City fails to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the City as



the taxpayer. We observe that the City has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the City, and, in that capacity, we have been engaged by the City for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the City, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the City's Limited Offering Memorandum prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,

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APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

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**CITY OF ROYSE CITY, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WATERSCAPE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #4 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer dated as of May 1, 2024 (this “Disclosure Agreement”) is executed and delivered by and among the City of Royse City, Texas (the “Issuer”), P3Works, LLC (as more fully defined herein, the “Administrator”) and UMB Bank, N.A., Dallas, Texas, acting solely in its capacity as dissemination agent (as more fully defined herein, the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2024 (Waterscape Public Improvement District Improvement Area #4 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 May 1, 2024, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the Issuer or the person or independent firm designated by the Issuer who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the current Administrator.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Collections Report” shall mean any Annual Collection Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

“Annual Collections Report Filing Date” shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual Financial Statements” shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for

governmental units as prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

“Annual Financials Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is twelve (12) months after the end of the Issuer’s Fiscal Year. The Annual Financials Filing Date is currently September 30.

“Annual Information Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer’s Fiscal Year. The Annual Information Filing Date is currently March 31.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

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

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Collections Reporting Date” shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

“Delinquency Date” shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Developer” shall mean, HC Royse 548, LLC, a Texas limited liability company, including its affiliates, successors and assigns.

“Disclosure Agreement of Developer” shall mean the City of Royse City, Texas Special Assessment Revenue Bonds, Series 2024 (Waterscape Public Improvement District Improvement Area #4 Project) Continuing Disclosure Agreement of Developer dated as of May 1, 2024 executed and delivered by the Developer, the Administrator and the Dissemination Agent.

“Disclosure Representative” shall mean the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean UMB Bank, N.A., Dallas, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated

in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Waterscape Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Filing Date” means, collectively, an Annual Financials Filing Date, an Annual Information Filing Date and an Annual Collections Report Filing Date, or, individually, as the context requires, an Annual Financials Filing Date, an Annual Information Filing Date or an Annual Collections Report Filing Date.

“Final Assessment Payment Date” shall mean the calendar day preceding the Delinquency Date.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the one-year period from October 1 through September 30.

“Improvement Area #4” shall have the meaning assigned to such term in the Indenture.

“Listed Events” shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Other Obligations” means any bonds, temporary notes, time warrants, or an obligation under an installment sale contract or reimbursement agreement secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within Improvement Area #4 in accordance with the PID Act

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

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

“Prepayment” shall mean the payment of all or a portion of an Assessment before the due date of the final installment thereof.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SAP Update” shall have the meaning assigned to such term in Section 4(a)(iii) of this Disclosure Agreement.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Tax Year” means the calendar year or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

“Trustee” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2024, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, the Annual Financial Information and the Annual Financial Statements.

(i) The Issuer shall provide or caused to be provided the Annual Financial Information to the MSRB not later than the Annual Information Filing Date; and

(ii) The Issuer shall provide or caused to be provided audited Annual Financial Statements to the MSRB not later than the Annual Financials Filing Date, or if audited Annual Financial Statements are not available by the Annual Financials Filing Date, unaudited Annual Financial Statements, provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement.

In each case, the Annual Financial Information and Annual Financial Statements may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Information Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten (10) days prior to the applicable Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as applicable, to the Dissemination Agent together with written direction to file such Annual Financial Information or Annual Financial Statements with the MSRB. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten (10) days from receipt of such Annual Financial Information or Annual Financial Statements from the Issuer, but in no event later than the applicable Filing Date for such Fiscal Year.

If by the fifth (5th) day before the applicable Filing Date, the Dissemination Agent has not received a copy of the Annual Financial Information or Annual Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Financial Information or Annual Financial Statements pursuant to subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Financial Information or Annual Financial Statements, as applicable, no later than two (2) Business Days prior to the applicable Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Financial Information by the Annual Information Filing Date or the Annual Financial Statements by the Annual Financials Filing Date, as applicable, state the date by which the Annual Financial Information or Annual Financial Statements for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Financial Information, Annual Financial Statements or the notice of failure to file, as applicable, to the MSRB, no later than the applicable Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the applicable Filing Date.

(c) The Dissemination Agent, pursuant to written direction, shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information and the Annual Financial Statements on the dates required in subsection (a);

(ii) on behalf of the Issuer, file the Annual Financial Information and the Annual Financial Statements containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and the Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or Annual Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content of Annual Financial Information and Annual Financial Statements.

(a) *Annual Financial Information.* The Annual Financial Information for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Information Filing Date, the following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) for the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount, the aggregate principal amount Outstanding and the total interest amount due on aggregate principal amount Outstanding;

(B) the amounts in the funds and accounts securing the Bonds and a description of the related investments; and

(C) the assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the reporting Fiscal Year.

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (collectively, a “SAP Update”).

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer’s audited financial statements during such Fiscal Year.

(b) *Annual Financial Statements.* The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If the audited financial statements of the Issuer are not available by the Annual Financials Filing Date, the Issuer shall provide unaudited financial statements of the Issuer no later than the Annual Financials Filing Date and audited financial statements when and if available.

(c) See Exhibit B hereto for a form for submitting the information set forth in subsection 4(a) above. The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer’s staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference. The Dissemination Agent has no duty or obligation to determine whether or not the information contained in any completed forms containing financial information and operating data as shown in Exhibit B provided to it has been accurately completed and shall only be required to file the forms as completed and provided to it by either the Administrator or the Issuer.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Financial Information, if such Annual Collections Report is

available when the Annual Financial Information is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date, the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection 5(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB, no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the applicable Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1st) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the City shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The sale by the Developer of real property within Improvement Area #4 will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Other Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent in writing to immediately file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the

Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Administrator and Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be UMB Bank, N.A., Dallas, Texas. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer. The Dissemination Agent may resign at any time with thirty (30) days’ written notice to the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5 or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the fiscal year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information, Annual Financial Statements, Annual Collections Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and

the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) Except as otherwise provided herein, the Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #4, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Financial Information or Annual Financial Statements in accordance with Section 3(a) and 3(b), respectively, or the Annual Collections Report in accordance with Section 5(a), the Dissemination Agent shall not be responsible for the failure to submit Annual Financial Information, Annual Financial Statements, or the Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean the Dissemination Agent has actual knowledge of any event described in Section 6 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual

Collection Costs collected from the property owners in Improvement Area #4, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #4, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each respectively, make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) Not a Sanctioned Company. The Dissemination Agent and the Administrator, each respectively, represent that neither the Dissemination Agent, the Administrator, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator is a company identified on a list prepared and maintained by the Texas Comptroller of

Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

(Signature pages follow)

CITY OF ROYSE CITY, TEXAS
(as Issuer)

By: _____
Mayor

UMB BANK, N.A.
(as Dissemination Agent)

By: _____
Authorized Officer

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION][ANNUAL FINANCIAL
STATEMENTS][ANNUAL COLLECTIONS REPORT]**

Name of Issuer: City of Royse City, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024
(Waterscape Public Improvement District Improvement Area #4
Project) (the “Bonds”)
CUSIP Nos. [insert CUSIP NOs.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Royse City, Texas, has not provided [Annual Financial Information][[audited][unaudited] Annual Financial Statements][Annual Collections Report] for fiscal year ended _____ with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of May 1, 2024, by and among the Issuer, P3Works, LLC, as the “Administrator,” and UMB Bank, N.A., as “Dissemination Agent.” The Issuer anticipates that [Annual Financial Information][[audited][unaudited] Annual Financial Statements][Annual Collections Report] will be filed by _____.

Dated: _____

UMB BANK, N.A.,
on behalf of the City of Royse City, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Royse City, Texas

EXHIBIT B

**CITY OF ROYSE CITY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WATERSCAPE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #4 PROJECT)**

ANNUAL FINANCIAL INFORMATION¹

Delivery Date: _____, 20__

CUSIP NOSs: [insert CUSIP NOs.]

DISSEMINATION AGENT

Name: UMB BANK, N.A.
Address: [_____]
City: [_____, Texas ____]
Telephone: (____) ____-____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

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¹ Excluding Annual Financial Statements of the Issuer.

Section 4(a)(i)(B)**INVESTMENTS**

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

Section 4(a)(i)(C)**ASSETS AND LIABILITIES OF TRUST ESTATE**

Cash Position of Trust Estate for statements dated September 30, 20[___]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[___] Trust Statements: ☐ Audited ☐ Unaudited

Accounting Type: ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

Year Ending (September 30)	Principal	Interest	Total
-------------------------------	-----------	----------	-------

Top [Five] Assessment Payers in Improvement Area #4⁽¹⁾

<u>Property Owner</u>	<u>No. of Parcels/Lots</u>	<u>Percentage of Parcels/Lots</u>	<u>Outstanding Assessments</u>	<u>Percentage of Total Assessments</u>
-----------------------	----------------------------	---------------------------------------	------------------------------------	--

⁽¹⁾ Does not include those owing less than one percent (1%) of total Assessments.

Assessed Value of Improvement Area #4 of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #4 of the District is approximately \$[AMOUNT] according to the Rockwall Central Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent Assessment Amount not in Foreclosure Proceedings</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Assessment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
20__	\$		\$		\$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Total Annual Installment Billed</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent % as of 3/1</u>	<u>Delinquent Amount as of [9/1]</u>	<u>Delinquent % as of [9/1]</u>	<u>Total Assessments Collected⁽²⁾</u>
20__	\$		\$	%	\$	%	\$
20__							
20__							
20__							
20__							

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, October 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent % as of 9/1</u>	<u>Parcel Numbers</u>
20__	%	
20__		

History of Prepayment of Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u> \$
20__				
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTIONS 4(a)(iii) – (iv) OF THE CONTINUING DISCLOSURE AGREEMENT OF ISSUER RELATING TO CITY OF ROYSE CITY, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (WATERSCAPE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #4 PROJECT)

[Insert a line item for each applicable listing]

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EXHIBIT C

**CITY OF ROYSE CITY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WATERSCAPE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #4 PROJECT)**

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP NOS: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: UMB BANK, N.A.
Address: [_____]
City: [_____, Texas ____]
Telephone: (____) ____-____
Contact Person: Attn: _____

**SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO
COLLECTION OF THE ASSESSMENTS COVERING THE PERIOD BEGINNING WITH
THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL
YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN
COMPLIANCE WITH SECTION 5(A) OF THE CONTINUING DISCLOSURE
AGREEMENT OF ISSUER RELATING TO CITY OF ROYSE CITY, TEXAS SPECIAL
ASSESSMENT REVENUE BONDS, SERIES 2024 (WATERSCAPE PUBLIC
IMPROVEMENT DISTRICT IMPROVEMENT AREA #4 PROJECT)**

Foreclosure History Related To The Annual Installments⁽¹⁾

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure <u>Proceedings</u>	Parcels in Foreclosure <u>Proceedings</u>	Delinquent Annual Installment Amount in Foreclosure <u>Proceedings</u>	Foreclosure <u>Sales</u>	Foreclosure Proceeds <u>Received</u>
20__	\$ _____		\$ _____		\$ _____

(i) Period covered includes October 1, 20__ through March 1, 20__.

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Collection and Delinquency Annual Installments⁽¹⁾

<u>Succeeding Fiscal Year</u> 20__	<u>Total Annual Installment Levied</u> \$	<u>Parcels Levied⁽²⁾</u>	<u>Delinquent Amount as of 3/1</u> \$	<u>Delinquent % as of 3/1</u> %	<u>Total Annual Installments Collected⁽³⁾</u> \$
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⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

⁽²⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, October 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽³⁾ [Does/does not] include interest and penalties.

Prepayment of Assessments⁽¹⁾

<u>Succeeding Fiscal Year</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u> \$
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⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

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EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.

Issuer and/or Administrator should be aware of actual and specific delinquencies

Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. **If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing.**

Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.

At this point, if there is adequate funding for March and September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. **For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of**

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33 and 34, Texas Tax Code, as amended (the "Code"), and the Rockwall County Tax Assessor-Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

foreclosure, in accordance with the Rockwall County Tax Assessor-Collector's procedures².

If there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of the Bond Fund of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the Rockwall County Tax Assessor-Collector procedures².

March 15

43/44

Trustee pays Bond interest payments to Owners.

Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.

Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.

July 1

152/153

Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the Rockwall County Tax Assessor-Collector procedures².

Preliminary Foreclosure activity commences, in accordance with the Rockwall County Tax Assessor-Collector procedures², and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

² If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the Indenture, Trustee requests that the Issuer commence foreclosure or provide plan for collection and deliver such plan to the Dissemination Agent.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court, in accordance with the Rockwall County Tax Assessor-Collector procedures³.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

³ If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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**CITY OF ROYSE CITY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WATERSCAPE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #4 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of May 1, 2024 (this “Disclosure Agreement”) is executed and delivered by and among HC Royse 548, LLC (as more fully defined herein, the “Developer”), P3Works, LLC (as more fully defined herein, the “Administrator”) and UMB Bank, N.A., Dallas, Texas, acting solely in its capacity as dissemination agent (as more fully defined herein, the “Dissemination Agent”), with respect to the “City of Royse City, Texas Special Assessment Revenue Bonds, Series 2024 (Waterscape Public Improvement District Improvement Area #4 Project)” (the “Bonds”). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of May 1, 2024 relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the Issuer, or independent firm designated by the Issuer, who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the initial Administrator.

“Amenities” shall mean the amenities to be constructed by the Developer within Improvement Area #4, including, but not limited to, a pocket park with playground and a pocket park with covered meeting area and related improvements.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

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

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Certification Letter” shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean, HC Royse 548, LLC, a Texas limited liability company, and each other Person, through assignment, who assumes the obligations, requirements, or covenants to construct the Improvement Area #4 Improvements and/or the Amenities, and their designated successors and assigns.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of May 1, 2024 executed and delivered by the Issuer, the Administrator and the Dissemination Agent.

“Dissemination Agent” shall mean UMB Bank, N.A., Dallas, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Waterscape Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into a Purchase Agreement with the Developer, and the affiliates and/or successors and assigns of such homebuilder under such Purchase Agreement.

“Improvement Area #4” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #4 Improvements” shall have the meaning assigned to such term in the Indenture.

“Issuer” shall mean the City of Royse City, Texas.

“Listed Events” shall mean any of the events listed in Section 4(a) and 4(b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Owner” shall mean the registered owner of any Bonds.

“Parcel” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

“Person” shall have the meaning assigned to such term in the Indenture.

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

“Purchase Agreement” shall mean, with respect to lots or land within Improvement Area #4, any purchase agreement between one or more Homebuilders and/or the Developer to purchase lots or to purchase land intended for single family residential development and use, including detached or attached single family homes or townhomes.

“Quarterly Ending Date” shall mean each February 28, May 31, August 31, and November 30, beginning August 31, 2024.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being April 15, July 15, October 15, and January 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and consisting of the information in Exhibit A attached hereto.

“Reporting Party” shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall mean a Homebuilder, including any affiliates of such Homebuilder, that then owns twenty (20) or more single family residential lots within Improvement Area #4.

“Significant Homebuilder Listed Events” shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

“Trustee” shall mean UMB Bank, N.A., Dallas, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as trustee, or any successor trustee pursuant to 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, at least ten (10) Business Days prior to each March 30, June 30, September 30 and December 30 (beginning September 30, 2024), the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the “Quarterly Information”). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party’s obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than each March 30, June 30, September 30 and December 30, 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 five days after each March 30, June 30, September 30 and December 30, 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 each March 30, June 30, September 30 and December 30. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than five days after each March 30, June 30, September 30 and December 30, 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 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 five days before each Quarterly Filing 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 documents with the MSRB. Pursuant to the written direction of the Administrator, the Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within five days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report and the Certification Letter(s) must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

- (d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereof.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

- (i) Failure to pay any real property taxes or Assessments levied within Improvement Area #4 on a Parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #4 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section 4(a) nor a breach or default of this Disclosure Agreement;

- (ii) Material damage to or destruction of any development or improvements in Improvement Area #4, including the Improvement Area #4 Improvements or the Amenities;

- (iii) Material default by the Developer or any of the Developer's affiliates on any loan with respect to the, acquisition, development or permanent financing of Improvement Area #4 undertaken by the Developer or any of the Developer's affiliates;

- (iv) Material default by the Developer or any of the Developer's affiliates on any loan secured by property within Improvement Area #4 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 \$250,000 against the Developer or any of the Developer's affiliates that may adversely affect the completion of the development of Improvement Area #4 or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's affiliates;

(viii) Any material change in the legal structure, chief executive officer or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 herein.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds;

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #4 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 #4 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section 4(b) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any material change in the type of legal entity, chief executive officer or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5)

Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Significant Homebuilder, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Significant Homebuilder.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #4 Improvements or the Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgment and assumption from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #4 Improvements or Amenities in substantially the form attached as Exhibit E (the “Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person’s delivery of written acknowledgment of assumption of Developer’s obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall require that any Person comply with obligations of this Section 5 with respect to any subsequent transfers by such Person to any individual or entity meeting the definition of a “Developer” in the future.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in Improvement Area #4 resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer’s disclosure obligations under Section 3 and Section 4(b) hereof, with respect to such acquired real property, until such party’s disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer’s disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer’s disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgment from each Significant Homebuilder, in substantially the form attached as Exhibit F (the “Significant Homebuilder Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder’s delivery of written acknowledgment of assumption of the Developer’s obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is

delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall use commercially reasonable efforts to require that any Significant Homebuilder comply with obligations of this Section 6 with respect to any subsequent transfers by such Significant Homebuilder to any individual or entity meeting the definition of a “Significant Homebuilder” in the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or any Significant Homebuilder under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer or such Significant Homebuilder, including their respective affiliates and/or successors and assigns, no longer owns twenty (20) or more single family residential lots within Improvement Area #4, as of each Quarterly Ending Date, or (iii) the Issuer’s issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer or such Significant Homebuilder, including their respective affiliates and/or successors and assigns, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own twenty (20) or more single family residential lots within Improvement Area #4, as of each Quarterly Ending Date, or (iii) the Issuer’s issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party’s reporting obligations under this Disclosure Agreement (the “Termination Notice”). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties’ reporting obligations in accordance with subsection (a) of

this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be UMB Bank, N.A., Dallas, Texas. The Issuer may, from time to time, appoint or engage a successor Dissemination Agent to assist the Reporting Parties in carrying out their obligations under this Disclosure Agreement and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each then-existing Reporting Party of any change in the identity of the Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of any Reporting Party, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Developer shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 9 to the Issuer, the Administrator, the Dissemination Agent and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent any Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, no

Reporting Party shall have an obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 11. Content of Disclosures. In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 10 of this Disclosure Agreement.

SECTION 12. Default. In the event of a failure of a Reporting Party, Dissemination Agent or Administrator to comply with any provision of this Disclosure Agreement, any Owner or beneficial owner of the Bonds may, and the Trustee (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Reporting Party, Dissemination Agent and/or Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer, Dissemination Agent or Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Issuer, and a default under the Disclosure Agreement of Issuer shall not be deemed a default under this Disclosure Agreement. Furthermore, a default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under this Disclosure Agreement by any other Reporting Party, and no Reporting Party shall have any obligation to take any action to mitigate or cure the default of any other Reporting Party.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If any Reporting Party or the Administrator does not provide the information required by Section 3(d) hereof in a timely manner as required by Sections 3(a) or (b) hereof, or incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of a Reporting Party, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Reporting Party, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed,

entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #4, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made here under among or between any of the Reporting Parties, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer: HC Royse 548, LLC
8200 Douglas Avenue, Suite 300
Dallas, Texas 75225
E-mail: bjameson@huffinescommunities.com

If to the Dissemination Agent or Trustee: UMB Bank, N.A.
5910 N. Central Expressway, Suite 1900
Dallas, Texas 75206
E-mail: Israel.Lugo@umb.com

If to Administrator: P3Works, LLC
9284 Huntington Square, Ste 100
North Richland Hills, Texas 76182
E-mail: admin@p3-works.com

If to the Issuer: City of Royse City, Texas
305 N. Arch Street
Royse City, Texas 75189
E-mail: carl.alsabrook@roysecity.com

If to Participating Underwriter: FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
E-mail: Tdavenport@fmsbonds.com

SECTION 21. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow.]

UMB BANK, N.A.
(as Dissemination Agent)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

HC ROYSE 548, LLC,
a Texas limited liability company
(as Developer)

By: _____
Phillip Huffines or Don Huffines,
Managing Director

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

P3WORKS, LLC
(as Administrator)

By: _____
Title: _____

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

EXHIBIT A

**CITY OF ROYSE CITY, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(WATERSCAPE PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #4 PROJECT)**

QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: UMB BANK, N.A.
Address: _____
City: _____
Telephone: _____
Contact Person: _____

I. Unit Mix in Improvement Area #4

<u>Product Type</u>	<u>Number of Units</u>
Single Family 40'	
Single Family 50'	

[Remainder of Page Intentionally Left Blank]

II. Ownership of Lots/Units in Improvement Area #4

PLANNED LOTS IN IMPROVEMENT AREA #4: [_____]

Of the [_____] lots in Improvement Area #4:

1. Number of lots owned by the Developer: [_____]
 - a. Number of lots under contract but not closed to Homebuilder(s): [_____]
2. Number of lots owned by all Homebuilder(s): [_____]¹
 - a. Number of lots owned by [insert name of Homebuilder]: [_____]²
 - b. Number of lots owned by [insert name of Homebuilder]: [_____]
3. Number of units owned by homeowners: [_____]

III. Lot Status in Improvement Area #4

Of the [_____] lots in Improvement Area #4, what is the status:

1. Planned lots as of the date of issuance of the Bonds: [_____]
2. Planned lots as of the date of this Quarterly Report: [_____]
3. Number of Lots developed: [_____]
4. Expected completion date of all lots in Improvement Area #4 (if incomplete): [_____]

IV. Home Sales Information in Improvement Area #4

PLANNED HOMES IN IMPROVEMENT AREA #4: [_____]

Of the [_____] homes planned for Improvement Area #4:

1. How many total building permits were issued **during the current quarter?** [_____]
 - a. Number of building permits issued during the current quarter for [insert name of Homebuilder]: [_____]²
 - b. Number of building permits issued during the current quarter for [insert name of Homebuilder]: [_____]²
2. How many total homes have closed with homebuyers **during the current quarter?** [_____]
 - a. Number of homes closed with homebuyers during the current quarter for [insert name of Homebuilder]: [_____]²
 - b. Number of homes closed with homebuyers during the current quarter for [insert name of Homebuilder]: [_____]²
3. How many total homes have closed with homebuyers **cumulatively?** [_____]

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. Developer has no obligation under this Disclosure Agreement to pay for or use any EMMA filing assistance software.

² Include a line item for each individual Homebuilder.

- 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

V. Expenditures Paid from Accounts under Indenture

TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #4 IMPROVEMENTS: \$[_____]

Of the budgeted costs for Improvement Area #4 shown in the Service and Assessment Plan:

1. Actual costs drawn from the Improvement Area #4 Improvements Account:
\$[_____]

VI. Status of Improvements in Improvement Area #4

1. [Actual/Excepted] date of completion of the Improvement Area #4 Improvements:
[_____]
2. If applicable, explanation of any delay/change in projected completion date since last Quarterly Report was filed:
[_____]

VII. Amenity Status

1. Total expected costs of Amenities: \$[_____]
2. Amount spent as of Quarterly Ending Date: \$[_____]
3. [Actual/Expected] completion date of Amenities: [_____]

VIII. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan),

³ Include a line item for each individual Homebuilder.

if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgment pursuant to the Disclosure Agreement?
5. **Completion Agreement** – Is the Developer required to provide evidence of available funds, in addition to the amounts on deposit in the Project Fund, to complete the construction of the Improvement Area #4 Improvements? If so, identify the available sources of funding and provide the amount of funding needed to complete the Improvement Area #4 Improvements.
6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.
7. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: City of Royse City, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Waterscape
Public Improvement District Improvement Area #4 Project)(the
“Bonds”)
CUSIP Nos. [insert CUSIP Nos.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Developer”] [“Significant Homebuilder”]) has not provided the
[Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*]
with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer dated
as of May 1, 2024, by and among HC Royse 548, LLC (the “Developer”), P3Works, LLC (the
“Administrator”) and UMB Bank, N.A. (the “Dissemination Agent”). [Developer] [Significant
Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be
[provided][filed] by _____.

Dated: _____

UMB BANK, N.A.,
on behalf of the [Developer] [Significant
Homebuilder]
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Royse City, Texas

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Royse City, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Waterscape Public Improvement District Improvement Area #4 Project)(the “Bonds”)
CUSIP Nos. [insert CUSIP Nos.]
Date of Delivery: _____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

HC Royse 548, LLC
8200 Douglas Avenue, Suite 300
Dallas, Texas 75225

City of Royse City, Texas
305 N. Arch Street
Royse City, Texas 75189

[Insert Significant Homebuilder
Contact Information]

UMB Bank, N.A.
5910 N. Central Expressway, Suite 1900
Dallas, Texas 75206

NOTICE IS HEREBY GIVEN that _____, a _____ (the [“Developer”] [“Significant Homebuilder”]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Bonds, thereby, terminating such party’s reporting obligations under the Continuing Disclosure Agreement of Developer dated as of May 1, 2024, by and among HC Royse 548, LLC (the “Developer”), P3Works, LLC (the “Administrator”) and UMB Bank, N.A. (the “Dissemination Agent”).

Dated: _____

P3Works, LLC
on behalf of the [Developer] [Significant
Homebuilder]
(as Administrator)

By: _____

Title: _____

EXHIBIT D
CERTIFICATION LETTER

[DATE]

Name of Issuer: City of Royse City, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Waterscape
Public Improvement District Improvement Area #4 Project)
CUSIP Nos. [insert CUSIP Nos.]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Waterscape Public Improvement District Improvement Area #4

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer dated as of May 1, 2024, by and among HC Royse 548, LLC (the “Developer”), P3Works, LLC (the “Administrator”) and UMB Bank, N.A. (the “Dissemination Agent”), this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer] [_____, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer] [Significant Homebuilder], constitutes the portion of the Quarterly Report required to be furnished by [Developer] [Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer] [Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

HC ROYSE 548, LLC,
a Texas limited liability company
(as Developer)

By: _____
Phillip Huffines or Don Huffines,
Managing Director

OR

[SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)

By: _____
Title: _____]

EXHIBIT E

FORM OF ACKNOWLEDGMENT OF ASSIGNMENT OF DEVELOPER REPORTING OBLIGATIONS

[DATE]

City of Royse City, Texas
305 N. Arch Street
Royse City, Texas 75189

P3Works, LLC
9284 Huntington Square, Ste 100
North Richland Hills, Texas 76182

UMB Bank, N.A.
5910 N. Central Expressway, Suite 1900
Dallas, Texas 75206

Re: Waterscape Public Improvement District Improvement Area #4 – Continuing Disclosure Obligation

Dear _____,

Per *[Insert name of applicable agreement]*, as of _____, 20____, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Improvement Area #4 Improvements or Amenities (as those terms are defined in the Disclosure Agreement of Developer (as defined herein) within Improvement Area #4 of the Waterscape Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the “Disclosure Agreement of Developer”) by and among HC Royse 548, LLC (the “Initial Developer”), P3Works, LLC (the “Administrator”) and UMB Bank, N.A. (the “Dissemination Agent”), with respect to the “Special Assessment Revenue Bonds, Series 2024 (Waterscape Public Improvement District Improvement Area #4 Project)”, any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #4 Improvements or Amenities is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

HC ROYSE 548, LLC,
a Texas limited liability company
(as Developer)

By: _____
Phillip Huffines or Don Huffines,
Managing Director

Acknowledged by:
[INSERT ASSIGNEE NAME]

By: _____
Title: _____
Address: _____

Phone Number: _____
E-Mail: _____

EXHIBIT F

FORM OF ACKNOWLEDGMENT OF ASSIGNMENT OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS

[DATE]

City of Royse City, Texas
305 N. Arch Street
Royse City, Texas 75189

P3Works, LLC
9284 Huntington Square, Ste 100
North Richland Hills, Texas 76182

UMB Bank, N.A.
5910 N. Central Expressway, Suite 1900
Dallas, Texas 75206

Re: Waterscape Public Improvement District Improvement Area #4 – Continuing Disclosure Obligation

Dear _____,

As of _____, 202__, you own ____ single family residential lots within Improvement Area #4 of the Waterscape Public Improvement District (the “District”). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the “Disclosure Agreement”) dated as of May 1, 2024, by and among, HC Royse 548, LLC (the “Developer”), P3Works, LLC (the “Administrator”) and UMB Bank, N.A. (the “Dissemination Agent”), with respect to the “Special Assessment Revenue Bonds, Series 2024 (Waterscape Public Improvement District Improvement Area #4 Project)” any entity that owns ten or more single family residential lots within Improvement Area #4 is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement, you acknowledge and assume the reporting obligations under Section 3(d), specifically Exhibit A.IV., and Section 4(b) of the Disclosure Agreement for the property which is owned as detailed in the Disclosure Agreement, which is included herewith.

Sincerely,

HC ROYSE 548, LLC,
a Texas limited liability company
(as Developer)

By: _____
Phillip Huffines or Don Huffines,
Managing Director

Acknowledged by:
[INSERT SIGNIFICANT HOMEBUILDER NAME]

By: _____
Title: _____
Address: _____

Phone Number: _____
E-Mail: _____

APPENDIX F

PID REIMBURSEMENT AGREEMENT

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

Amended and Restated PID Reimbursement Agreement
Waterscape

This *Amended and Restated PID Reimbursement Agreement – Waterscape* (this "Agreement") is entered into by Parker Creek Estates, L.P., a Texas limited partnership ("Parker Creek"), and Waterscape Development, LLC, a Texas limited liability company ("Waterscape Development," and together with Parker Creek, collectively, the "Developer") and the City of Royse City, Texas (the "City"), to be effective November 19, 2019 (the "Effective Date"). This Agreement amends and restates the *PID Reimbursement Agreement – Waterscape* between Parker Creek and the City effective November 14, 2017 (the "Original Agreement") in its entirety and such prior agreement shall cease to exist as of the Effective Date of this Agreement. The Developer and the City are individually referred to as a "Party" and collectively as the "Parties."

SECTION 1. RECITALS

1.1 WHEREAS, capitalized terms used in this Agreement shall have the meanings given to them in Section 2;

1.2 WHEREAS, unless otherwise defined: (1) all references to "sections" shall mean sections of this Agreement; (2) all references to "exhibits" shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and (3) all references to "ordinances" or "resolutions" shall mean ordinances or resolutions adopted by the City Council;

1.3 WHEREAS, Parker Creek is a Texas limited partnership;

1.4 WHEREAS, Waterscape Development is a Texas limited liability company;

1.5 WHEREAS, the City is a Texas home-rule municipality;

1.6 WHEREAS, on October 11, 2016, the City Council passed and approved the PID Creation Resolution authorizing the creation of the PID pursuant to the authority of the PID Act, covering approximately 310.202 contiguous acres within the City's extraterritorial jurisdiction and which land is described in the PID Creation Resolution;

1.7 WHEREAS, on November 14, 2017, the City Council passed and approved an assessment ordinance (the "2017 Assessment Ordinance");

1.8 WHEREAS, the 2017 Assessment Ordinance approved the Original SAP;

1.9 WHEREAS, on November 19, 2019, the City Council passed and approved a second assessment ordinance (the "2019 Assessment Ordinance" and together with the 2017 Assessment Ordinance, the "Assessment Ordinances");

1.10 WHEREAS, the 2019 Assessment Ordinance approved the SAP that replaces the Original SAP in its entirety;

1.11 WHEREAS, the SAP identifies the Authorized Improvements to be designed, constructed, and installed by or at the direction of the Parties that confer a special benefit on the Assessed Property;

1.12 WHEREAS, the SAP sets forth the Actual Costs of the Authorized Improvements;

1.13 WHEREAS, the Assessed Property is being developed in phases;

1.14 WHEREAS, the SAP determines and apportions the Actual Costs of the Authorized Improvements to the Assessed Property, which Actual Costs represent the special benefit that the Authorized Improvements confer upon the Assessed Property;

1.15 WHEREAS, the Assessment Ordinances levy Assessments against the Assessed Property in the amounts set forth in the Assessment Rolls attached to the SAP to pay for the Actual Costs of the Authorized Improvements benefitting such Assessed Property;

1.16 WHEREAS, Assessments, including the Annual Installments thereof, are due and payable as described in the SAP;

1.17 WHEREAS, Assessments, including the Annual Installments thereof, shall be billed and collected by the City or its designee;

1.18 WHEREAS, Assessment Revenue from the collection of Assessments, including the Annual Installments thereof, shall be deposited (1) as provided in the applicable Bond Indenture if PID Bonds secured by such Assessments are issued, or (2) into the PID Reimbursement Fund if no such PID Bonds are issued or such PID Bonds are no longer outstanding;

1.19 WHEREAS, Bond Proceeds shall be deposited as provided in the applicable Bond Indenture;

1.20 WHEREAS, the PID Project Fund shall only be used in the manner set forth in a Bond Indenture;

1.21 WHEREAS, this Agreement is a "reimbursement agreement" authorized by Section 372.023(d)(1) of the PID Act;

1.22 WHEREAS, this Agreement is contemplated by Section 6.3 of the Development Agreement;

1.23 WHEREAS, the Zone (hereinafter defined) is a tax increment reinvestment zone created by the City Council in accordance with the TIF Act (hereinafter defined) by Ordinance No. 19-11-1342 adopted by the City Council on November 12, 2019 (the "TIRZ Creation Ordinance");

1.24 WHEREAS, in connection with the creation of the Zone and as required by the TIF Act, the City Council approved the *Reinvestment Zone Number One, City of Royse City, Texas, Final Project and Financing Plan* dated November 19, 2019 (the "TIRZ No. 1 Project Plan") as the project and financing plan for the Zone;

1.25 WHEREAS, in connection with the Zone and as described in the TIRZ No. 1 Project Plan, the City has agreed to contribute a portion of the ad valorem tax increment for any portion of the Original Property (as defined in the Development Agreement) annexed by the City for the purpose of paying a portion of the Assessments levied for financing the costs of Public Improvements for such Original Property up to, and in no event more than, the TIRZ No. 1 Maximum Annual Credit Amount which under the SAP is the amount of TIRZ No. 1 Revenues available for each residential lot to cause the total equivalent tax rate based on 2019 tax values to be \$3.04 per \$100 of assessed value (inclusive of Annual Installment(s) for such lot and all overlapping taxing jurisdictions) for the term of the PID Bonds issued for the Improvement Area in which such residential lot is located;

1.26 WHEREAS, for the term of the Improvement Area #2 Bonds and Improvement Area #3 Bonds, the City may not lower the TIRZ No. 1 Maximum Annual Credit Amount even if the total equivalent tax rate on such Original Property increases above or decreases below \$3.04 per \$100 of assessed value (inclusive of Assessments and all overlapping taxing jurisdictions) based on increases or decreases in the rates charged by taxing jurisdictions other than the City, including the school and the county, for each residential lot unless Assessments are lowered by a like amount;

1.27 WHEREAS, the City and the Developer wish to amend the Original Agreement to reflect the agreement between the Parties for the City to collect the ad valorem tax increment and apply such revenue as described in the Development Agreement, the SAP and the TIRZ No. 1 Project Plan for so long as the earlier of (i) no PID Bonds issued for Improvement Area #2 and Improvement Area #3 remain outstanding, or (ii) no TIRZ No. 1 Annual Credit Amount is required to be paid under the terms of this Agreement;

1.28 WHEREAS, the offsets to the Annual Installments of the Assessments by the TIRZ No. 1 Annual Credit Amount required by this Agreement are limited to amounts deposited into the TIRZ No. 1 Fund as described in the TIRZ No. 1 Project Plan and this Agreement;

1.29 WHEREAS the City has an interest in creating jobs and expanding the tax base which accomplish a public purpose;

1.30 WHEREAS, the Parties have determined that this Agreement is necessary and convenient to implement the TIRZ No. 1 Project Plan and the Development Agreement; and, that the Public Improvements constitute public infrastructure that benefit the Zone;

1.31 WHEREAS, this Agreement is an "agreement" authorized by Section 311.008(b)(3) of the TIF Act;

1.32 WHEREAS, the Parties desire to replace the provisions of the Original Agreement in its entirety with this Agreement in connection with the issuance of PID Bonds for Improvement Area #2;

1.33 WHEREAS, the Parties desire that the provisions of the Original Agreement remain in full force and effect until the approval of this Agreement;

1.34 WHEREAS, the foregoing RECITALS: (1) are part of this Agreement for all purposes; (2) are true and correct; and (3) each Party has relied upon such Recitals in entering into this Agreement; and

1.35 WHEREAS, all resolutions and ordinances referenced in this Agreement (e.g., the PID Creation Resolution and each Assessment Ordinance), together with all other documents referenced in this Agreement (e.g., the SAP, each Bond Indenture, the TIRZ No. 1 Project Plan, and the Development Agreement), are incorporated as part of this Agreement for all purposes as

if such resolutions, ordinances, and other documents were set forth in their entirety in or as exhibits to this Agreement.

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth in this Agreement, the Parties agree as follows:

SECTION 2. DEFINITIONS

- 2.1 "Actual Costs" is defined in the SAP.
- 2.2 "Agreement" is defined in the introductory paragraph.
- 2.3 "Administrative Costs" is defined in the TIRZ No. 1 Project Plan.
- 2.4 "Administrative Expenses" is defined in the SAP.
- 2.5 "Annual Installment" is defined in the SAP.
- 2.6 "Assessed Property" is defined in the SAP.
- 2.7 "Assessment" is defined in the SAP.
- 2.8 "Assessment Ordinance" is defined in the SAP.
- 2.9 "Assessment Revenue" means the revenues received by the City from the collection of Assessments, including prepayments, Annual Installments and foreclosure proceeds.
- 2.10 "Assessment Roll" is defined in the SAP.
- 2.11 "Authorized Improvements" is defined in the SAP.
- 2.12 "Bond Indenture" means the applicable trust indenture pursuant to which PID Bonds are issued.
- 2.13 "Bond Proceeds" mean the proceeds derived from the issuance and sale of a series of PID Bonds that are deposited and made available to pay Actual Costs in accordance with the applicable Bond Indenture.
- 2.14 "Certificate for Payment" means a certificate (substantially in the form of Exhibit A or as otherwise approved by the Developer and the City Representative) executed by a representative of the Developer and approved by a City Representative, delivered to a City Representative (and/or, if applicable, to the trustee named in any applicable Bond Indenture), specifying the

work performed and the amount charged (including materials and labor costs) for Actual Costs, and requesting payment of such amount from the appropriate fund or funds. Each certificate shall include supporting documentation in the standard form for City construction projects and evidence that the Authorized Improvements (or its completed segment) covered by the certificate have been inspected by the City.

2.15 "City" is defined in the introductory paragraph.

2.16 "City Representative" means any person authorized by the City Council to undertake the actions referenced herein.

2.17 "City Council" means the governing body of the City.

2.18 "Closing Disbursement Request" means a request in the form of Exhibit B or as otherwise approved by the Parties.

2.19 "Default" is defined in Section 4.6.1.

2.20 "Delinquent Collection Costs" is defined in the SAP.

2.21 "Developer" is defined in the introductory paragraph.

2.22 "Developer Advances" means advances made by the Developer to pay Actual Costs.

2.23 "Developer Continuing Disclosure Agreement" means any Continuing Disclosure Agreement of the Developer executed contemporaneously with the issuance and sale of PID Bonds.

2.24 "Developer Improvement Account" means the account of the PID Project Fund created and established under a Bond Indenture (and segregated from all other funds contained in the PID Project Fund) into which the City deposits any funds received from the Developer as required under such Bond Indenture.

2.25 "Development Agreement" is defined as that certain *Amended and Restated Development Agreement (Waterscape (F.K.A. Parker Creek))* between the Developer and the City effective October 22, 2019.

2.26 "Effective Date" is defined in the introductory paragraph.

2.27 "Failure" is defined in Section 4.6.1.

- 2.28 "Improvement Area" is defined in the SAP.
- 2.29 "Improvement Area #2" is defined in the SAP.
- 2.30 "Improvement Area #2 Bonds" is defined in the SAP.
- 2.31 "Improvement Area #3" is defined in the SAP.
- 2.32 "Improvement Area #3 Assessments" is defined in the SAP.
- 2.33 "Improvement Area #3 Bonds" is defined in the SAP.
- 2.34 "Maturity Date" is the date one year after the last Annual Installment is collected.
- 2.35 "Original SAP" is defined as the *Waterscape Public Improvement District Service and Assessment Plan* approved by the City Council on November 14, 2017.
- 2.36 "Parcel" is defined in the SAP.
- 2.37 "Party" and "Parties" are defined in the introductory paragraph.
- 2.38 "PID" is defined as the Waterscape Public Improvement District created by the PID Creation Resolution.
- 2.39 "PID Act" is defined as Chapter 372, Texas Local Government Code, as amended.
- 2.40 "PID Bonds" is defined in the SAP.
- 2.41 "PID Creation Resolution" is defined as Resolution No. 16-10-1170R passed and approved by the City Council on October 11, 2016.
- 2.42 "PID Pledged Revenue Fund" means the fund, including all accounts created within such fund, established by the City under a Bond Indenture (and segregated from all other funds of the City) into which the City deposits Assessment Revenue from the collection of the Assessments securing PID Bonds issued and still outstanding under such Bond Indenture.
- 2.43 "PID Project Fund" means the fund, including all accounts created within such fund, established by the City under a Bond Indenture (and segregated from all other funds of the City) into which the City deposits a portion of the Bond Proceeds and any other funds authorized or required by such Bond Indenture.

- 2.44 "PID Reimbursement Fund" means the fund established by the City under this Agreement (and segregated from all other funds of the City) into which the City deposits Assessment Revenue if not deposited into the PID Pledged Revenue Fund.
- 2.45 "Project Costs" are the Administrative Costs and costs of the Public Improvements.
- 2.46 "Public Improvements" is defined in the TIRZ No. 1 Project Plan and includes the Authorized Improvements.
- 2.47 "Reimbursement Agreement Balance" is defined in Section 3.3.
- 2.48 "SAP" is defined as the *Waterscape Public Improvement District Amended and Restated Service and Assessment Plan* approved by the City Council on November 19, 2019, that replaced the Original SAP in its entirety, as the same may be amended and updated from time to time by City Council action.
- 2.49 "Tax Increment" is defined in the TIRZ No. 1 Project Plan.
- 2.50 "TIF Act" is defined as Chapter 311, Texas Tax Code, as amended.
- 2.51 "TIRZ Board" means the board of directors of the Zone established by the TIRZ Creation Ordinance.
- 2.52 "TIRZ No. 1 Annual Credit Amount" is defined in the SAP. The TIRZ No. 1 Annual Credit Amount will be calculated each year in accordance with the TIRZ No. 1 Project Plan and the SAP and in no event shall exceed the TIRZ No. 1 Maximum Annual Credit Amount.
- 2.53 "TIRZ Creation Ordinance" is defined in Section 1.23.
- 2.54 "TIRZ No. 1 Fund" means the fund established by the City under the TIRZ Creation Ordinance (and segregated from all other funds of the City) into which the City deposits the Tax Increment (as defined and described in the TIRZ Creation Ordinance and the TIRZ No. 1 Project Plan).
- 2.55 "TIRZ No. 1 Maximum Annual Credit Amount" is defined in the SAP.
- 2.56 "TIRZ No. 1 Project Plan" is defined in Section 1.24 and is a project and financing plan under Chapter 311, Texas Tax Code, as amended.
- 2.57 "TIRZ No. 1 Revenues" is defined in the SAP.

2.58 "Transfer" and "Transferee" are defined in Section 4.8.

2.59 "Zone" means the *Reinvestment Zone Number One, City of Royse City* created by the TIRZ Creation Ordinance.

2.60 "Zone Term" means from November 12, 2019 through the Maturity Date, unless otherwise terminated in accordance with the TIRZ No. 1 Project Plan and the TIF Act.

SECTION 3. FUNDING AUTHORIZED IMPROVEMENTS

3.1 Fund Deposits.

3.1.1 Assessments. Until PID Bonds are issued, the City shall bill, collect, and deposit into the PID Reimbursement Fund all Assessment Revenue consisting of: (1) revenue collected from the payment of Assessments (including pre-payments and amounts received from the foreclosure of liens but excluding costs and expenses related to collection); and (2) revenue collected from the payment of Annual Installments (excluding Administrative Expenses and Delinquent Collection Costs). Once PID Bonds are issued, the City shall bill, collect, and deposit all Assessment Revenue in the manner set forth in the applicable Bond Indenture. The City shall also deposit Bond Proceeds and any other funds authorized or required by the Bond Indenture in the manner set forth in the applicable Bond Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable Bond Indenture; provided that funds disbursed from the PID Project Fund pursuant to Section 3.5 below shall be made first from Bond Proceeds held in the applicable accounts within the PID Project Fund until such accounts are fully depleted and then, if applicable, from the Developer Improvement Account of the PID Project Fund. Funds in the PID Reimbursement Fund shall only be used to pay Actual Costs of the Authorized Improvements or all or any portion of the Reimbursement Agreement Balance in accordance with this Agreement. Once PID Bonds are issued, the applicable Bond Indenture shall control in the event of any conflicts with this Agreement.

3.1.2 Tax Increment. The TIF Act requires the City and the TIRZ Board to deposit the Tax Increment into the TIRZ No. 1 Fund, including the appropriate subaccount created therein, for the Zone Term. The TIRZ No. 1 Fund shall only be used to pay Project Costs in accordance with this Agreement, the TIRZ No. 1 Project Plan, the Development Agreement and the TIF Act. In the event of any conflicts between this Agreement and the Development Agreement, this Agreement shall control.

3.2 Payment of Actual Costs of Authorized Improvements. If PID Bonds are not issued to pay Actual Costs of Authorized Improvements, the Developer may elect to make Developer Advances to pay Actual Costs. If PID Bonds are issued, the Bond Proceeds shall be used in the manner provided in the applicable Bond Indenture. The Developer shall have no obligation to make Developer Advances unless the Bond Proceeds, together with any other funds on deposit in the PID Project Fund or PID Reimbursement Fund, are insufficient to pay the Actual Costs of Authorized Improvements described in the applicable Bond Indenture, in which case the Developer shall make Developer Advances to pay the deficit. If Developer Advances are required in connection with the issuance of a series of PID Bonds, then such Developer Advances may be reduced by the amount of payments of Actual Costs of the Authorized Improvements (or portions thereof) to be financed by such PID Bonds that the Developer has previously paid if (i) the Developer submits to the City all information related to such costs that would be required by a Closing Disbursement Request at least 5 days prior to the pricing of the PID Bonds, and (ii) the City approves such Actual Costs in writing. The Developer shall also make Developer Advances to pay for cost overruns ("Cost Overruns") after applying cost savings as permitted hereunder. The Developer acknowledges and agrees that the lack of Bond Proceeds or the lack of funds in the PID Reimbursement Fund shall not diminish the Developer's obligations under the Development Agreement to construct or cause to be constructed the Authorized Improvements. The Developer agrees to pay the Actual Costs of the Authorized Improvements set forth in the Service and Assessment Plan that are not funded by Bond Proceeds or by funds in the PID Reimbursement Fund and agrees to maintain sufficient funds for such purpose in the form of: (i) loan funds, (ii) funds available pursuant to a letter of credit, (iii) available cash, or (iv) any combination of (i) – (iii).

3.3 Payment of Project Costs from the TIRZ No. 1 Fund.

3.3.1 The first costs to be paid from the TIRZ No. 1 Fund will be those costs required to create the Zone. Then, each year: (i) the first costs to be paid from the TIRZ No. 1 Fund will be the Administrative Costs for the Zone; (ii) the second costs to be paid from the TIRZ No. 1 Fund will be the TIRZ No. 1 Annual Credit Amount in accordance with this Agreement, the Development Agreement, the SAP and the TIRZ No. 1 Project Plan, and (iii) the third costs to be paid from the TIRZ No. 1 Fund will be any other eligible project costs under the TIF Act and the TIRZ No. 1 Project Plan. Payments from the TIRZ No. 1 Fund shall be made in accordance with this Agreement, the Development Agreement, the TIRZ No. 1 Project Plan, and the TIF Act. In the event of any conflicts between this Agreement, the Development Agreement, and/or the TIRZ No. 1 Project Plan, this Agreement shall control.

3.3.2 TIRZ No. 1 Annual Credit Amount. The Parties agree that each Parcel's TIRZ No. 1 Annual Credit Amount shall be calculated in conjunction with the annual updates to the Assessment Roll, as described in the SAP and the Development Agreement. The City agrees to reduce Annual Installments of Assessments for each Parcel by the TIRZ No. 1 Annual Credit Amount as provided in the SAP; provided, however, that the TIRZ No. 1 Annual Credit Amount (i) may only be paid from available funds on deposit in the TIRZ No. 1 Fund in accordance with the TIRZ No. 1 Project Plan, the SAP, and this Agreement, and (ii) may never exceed the TIRZ No. 1 Maximum Annual Credit Amount. The TIRZ No. 1 Maximum Annual Credit Amount shall not be reduced by the City without the City making a corresponding reduction in the Assessments (i.e., each Assessment shall be permanently reduced by the same amount the TIRZ No. 1 Maximum Annual Credit Amount is reduced). If the debt service on issued and outstanding PID Bonds is reduced as the result of an economic refunding of those PID Bonds, then there would be a corresponding reduction in both the TIRZ No. 1 Maximum Annual Credit Amount and the Annual Installment owed on the Assessment.

3.3.3 Procedure for TIRZ No. 1 Annual Credit Amount. Each year the City's designee shall apply the TIRZ No. 1 Annual Credit Amount to reduce the Annual Installment of the Assessment on each Parcel as provided in the SAP. Following the determination of

the TIRZ No. 1 Annual Credit Amounts each year, but in no instance later than September 30th each year, the City shall transfer funds equal to the aggregate TIRZ No. 1 Annual Credit Amount for all Parcels as funds are available from the TIRZ No. 1 Fund to: (i) the PID Pledged Revenue Fund of the appropriate PID Bonds for the Improvement Area in which the Parcel is located, if PID Bonds have been issued, or (ii) the PID Reimbursement Fund, if PID Bonds have not been issued. In the event of a conflict related to the application of the TIRZ No. 1 Annual Credit Amount to offset each Parcel's Annual Installment of an Assessment, as described in the SAP, the TIRZ No. 1 Project Plan and the Development Agreement, the Parties and the then-current owner of property subject to an Assessment will use all reasonable efforts to resolve disputes within thirty (30) days of the City Manager's approval or denial of the TIRZ No. 1 Annual Credit Amount, after which time period the Parties or the then current owner may pursue its remedies under this Agreement or the PID Act.

3.3.4 Limitation on TIRZ No. 1 Annual Credit Amount. Only the TIRZ No. 1 Fund, not the City's general fund or other funds, shall be available for the annual offset of Assessments through application of the TIRZ No. 1 Annual Credit Amount. Developer acknowledges and agrees that the obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or constitute a debt or other obligation of the City payable from any source other than the TIRZ No. 1 Fund. Developer further acknowledges and agrees that nothing in this Agreement shall be construed to obligate the City to provide the annual offset of Assessments for Public Improvements from any other source of funds in the event there are insufficient funds in the TIRZ No. 1 Fund to provide the TIRZ No. 1 Maximum Annual Credit Amount due hereunder or in the event the Zone terminates (provided the City shall not adopt an ordinance providing for termination of the Zone on a date earlier than provided in the TIRZ Creation Ordinance unless this Agreement has been terminated). Finally, Developer acknowledges and agrees that nothing in this Agreement requires the City to pay the TIRZ No. 1 Annual Credit Amount directly to the Developer for the Public Improvements. Upon the termination of this Agreement or the expiration of the Zone, any obligation of the City to provide the TIRZ No. 1 Annual Credit Amount shall automatically expire.

3.4 Payment of Reimbursement Agreement Balance. Strictly subject to the terms, conditions, and requirements and solely from the revenues herein provided, the City agrees to pay to Developer, and Developer shall be entitled to receive from the City, until the Maturity Date, a principal amount not to exceed **THIRTY-ONE MILLION THREE HUNDRED TEN THOUSAND DOLLARS AND 00/100 (\$31,310,000.00)** or so much thereof as from time to time remains outstanding (such outstanding amount of all approved Certificates for Payment, together with accrued interest as hereinafter described, is referred to collectively as the "Reimbursement Agreement Balance"), with the amount for each payment request being shown on each Certificate for Payment (which amounts include only Actual Costs paid by or at the direction of the Developer) plus simple interest on the unpaid principal balance at the lesser rate of: (i) two percent (2%) above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index reported in the month before the date of determination (which date is the date of the approval by the City of the Assessment Ordinance levying the Assessments from which the Reimbursement Agreement Balance, or a portion thereof, shall be paid), or (ii) if PID Bonds are issued, the same interest rate on such PID Bonds. If the City elects to issue PID Bonds for the purpose of paying all or a portion of the outstanding Reimbursement Agreement Balance, the interest rate paid to the Developer on the outstanding principal amount of the Reimbursement Agreement Balance equal to the principal amount of PID Bonds being issued shall be the same as the interest rate on such PID Bonds. For purposes of Sections 372.023(e)(1) and (e)(2) of the PID Act, the interest rate on any portion of the Reimbursement Agreement Balance not to be paid from the proceeds of PID Bonds shall be calculated for each Certificate of Payment using the date that the Certificate of Payment is approved by the City as the date that the obligation to pay the Certificate for Payment is incurred. If any portion of the Reimbursement Agreement Balance remains unpaid after the City has elected to sell PID Bonds for the purpose of paying a portion of the Reimbursement Agreement Balance, the interest rate paid to the Developer on such unpaid Reimbursement Agreement Balance shall be at the rates set forth in this Section 3.3. The method for determining the interest rate for the unpaid balance of the Reimbursement Agreement Balance as set forth in this paragraph has been approved by the City Council and is authorized by and comply with the PID Act, including specifically subsections (e)(1) and (e)(2) of Section 372.023 of the PID Act. The obligation of the City to pay the Reimbursement Agreement Balance is payable solely from the PID Reimbursement Fund or from PID Bond

Proceeds. No other City funds, revenue, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. Payments from the PID Reimbursement Fund shall be applied in accordance with this Agreement. Each payment from the PID Reimbursement Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the PID Reimbursement Fund since the last payment. If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made; however, if the Parties are unable to resolve the disputed amount, then the City's determination of the disputed amount (as approved by the City Council) shall control. Notwithstanding any other provision in this Agreement, if the Developer does not acquire the Additional Property (as defined in the Development Agreement) by December 31, 2020, then the Development Agreement requires that a school site shall be dedicated within Improvement Area #3 and the Improvement Area #3 Assessments levied on property within Improvement Area #3 shall be reduced to accommodate the school site without triggering a prepayment of Improvement Area #3 Assessments so long as PID Bonds for Improvement Area #3 Improvements (as defined in the SAP) have not been issued and the outstanding Reimbursement Agreement Balance shall automatically be reduced in accordance with the terms of this Agreement and the SAP.

3.5 PID Bonds.

(a) The City, in its sole, legislative discretion, may issue PID Bonds, in one or more series, when and if the City Council determines it is financially feasible for the purposes of: (1) paying the Reimbursement Agreement Balance; or (2) paying directly Actual Costs of Authorized Improvements described in the applicable Bond Indenture. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the applicable Bond Indenture. Upon the issuance of PID Bonds for such purpose, the Developer's right to receive payments each year in accordance with Section 3.3 shall be subordinate to the deposits required under the applicable Bond Indenture related to any outstanding PID Bonds and the Developer shall be entitled to receive funds pursuant to the flow of funds provisions of such Bond Indenture. The failure of the City to issue PID Bonds shall not constitute a "Failure" by the City or otherwise result in a "Default" by the City. Upon the issuance of the PID Bonds, the Developer has a duty to construct

those Authorized Improvements described in the applicable Bond Indenture. The Developer shall not be relieved of its duty to construct or cause to be constructed such improvements even if there are insufficient funds in the PID Project Fund to pay the Actual Costs. This Agreement shall apply to all of the PID Bonds issued by the City whether in one or more series and no additional reimbursement agreement shall be required for future series of PID Bonds.

(b) In the Development Agreement, the City has agreed to use its reasonable efforts to issue one or more series of PID Bonds for the purposes of acquiring or constructing Authorized Improvements subject to the satisfaction of conditions set forth in the Development Agreement. The issuance of PID Bonds shall be at the sole, legislative discretion of the City and is subject to the provisions of the Development Agreement and this Agreement. In the event of any conflict between this Agreement and the Development Agreement, this Agreement shall control. The Developer acknowledges that the City may require at that time a professional services agreement that obligates the Developer to fund the costs of the City's professionals relating to the preparation for and issuance of PID Bonds, which amount shall be agreed to by the Parties and considered a cost payable from such PID Bonds. In addition to the satisfaction of the conditions contained in the Development Agreement, the issuance of PID Bonds is further subject to the following conditions:

- (1) The Developer is current on all taxes, assessments, fees and other obligations to the City;
- (2) The Developer is not in default under this Agreement, the Development Agreement or a Developer Continuing Disclosure Agreement, and no subsequent third party owner of property in the PID is in default under a Developer Continuing Disclosure Agreement; and
- (3) If applicable, the Developer pays the costs described in Section 4.9 of this Agreement.

(c) The Developer agrees, represents and warrants that any information provided by the Developer for inclusion in a disclosure document for an issue of PID Bonds will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; and, the Developer further covenants that it will provide a certification to such effect as of the date of the closing of any PID Bonds.

3.6 Disbursements and Transfers at and after Bond Closing. The City and the Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the trustee under the Bond Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the City or the Developer, as applicable, which costs may include payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible items expended by the Developer and the City as of the time of the delivery of the PID Bonds as described in the SAP. In order to receive disbursement, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than five (5) days prior to the scheduled pricing date for the PID Bonds for payment in accordance with the provisions of the applicable Bond Indenture. In order to receive additional disbursements from the applicable fund under this Agreement or a Bond Indenture, as applicable, the Developer shall execute a Certificate for Payment, no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the applicable Bond Indenture and this Agreement. Upon receipt of a Certificate for Payment (along with all accompanying documentation required by the City) from the Developer, the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all applicable governmental laws, rules and regulations and applicable plans therefore and with the terms of this Agreement and any other agreement between the parties related to property in the PID, and to verify and approve the Actual Costs of such work specified in such Certificate for Payment. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Within ten (10) business days following receipt of any Certificate for Payment, the City shall either: (1) approve the Certificate for Payment and forward it to the trustee for payment, or (2) provide the Developer with written notification of disapproval of all or part of a Certificate for Payment, specifying the basis for any such disapproval. Any disputes shall be resolved as required by Section 3.3 herein. The City shall deliver the approved or partially approved Certificate for Payment to the trustee for payment, and the trustee shall make the disbursements as quickly as practicable thereafter.

3.7 Obligations Limited. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than the PID Reimbursement Fund or the PID Project Fund and the TIRZ No. 1 Fund. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the Actual Costs of the Authorized Improvements; (2) the Reimbursement Agreement Balance even if the Reimbursement Agreement Balance is not paid in full on or before the Maturity Date; (3) debt service on any PID Bonds, (4) the Project Costs of the Public Improvements, or (5) the TIRZ No. 1 Annual Credit Amount. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.8 Obligation to Pay. Subject to the provisions of Section 3.6 above and as determined solely by the City, if the Developer is (1) current on the payment of all taxes, assessments and fees owed to the City, and (2) in then current compliance with its obligations under: (a) this Agreement, (b) all Developer Continuing Disclosure Agreements (if PID Bonds are issued and remain outstanding), and (c) the Development Agreement; then, following the inspection and approval of any portion of Authorized Improvements for which Developer seeks reimbursement of the Actual Costs by submission of a Certificate for Payment or Closing Disbursement Request, the obligations of the City under this Agreement to pay disbursements (whether to the Developer or to any person designated by the Developer) identified in any Certificate for Payment or Closing Disbursement Request and to pay debt service on PID Bonds are unconditional AND NOT subject to any defenses or rights of offset except as may be provided in any Bond Indenture.

3.9 City Delegation of Authority. All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the plans and in accordance with this Agreement and any other agreement between the parties related to property in the PID. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Authorized Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially

reasonable efforts in the performance of comparable work in accordance with City ordinances, City regulations, and generally accepted practices appropriate to the activities undertaken. The Developer has sole responsibility of ensuring that all Authorized Improvements are constructed in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work in accordance with City ordinances, City regulations, and generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Authorized Improvements to be acquired and accepted by the City from the Developer. If any Authorized Improvements are or will be on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Authorized Improvements. Inspection and acceptance of Authorized Improvements will be in accordance with applicable City ordinances and regulations.

3.10 Security for Authorized Improvements. Prior to completion and conveyance to the City of any Authorized Improvements, the Developer shall cause to be provided to the City a maintenance bond in the amount required by the City's subdivision regulations for applicable Authorized Improvements, which maintenance bond shall be for a term of two years from the date of final acceptance of the applicable Authorized Improvements. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that legal counsel for the City has the right to reject any surety company regardless of such company's authorization to do business in Texas. Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the Authorized Improvements is contested, the Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed 120 percent of the disputed amount.

3.11 Ownership and Transfer of Authorized Improvements. The Developer shall furnish to the City a preliminary title report for land related to the Authorized Improvements to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City. The report shall be made available for City review and approval at least fifteen (15) business days prior to the scheduled transfer of title. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, would materially affect the City's use and enjoyment of the Authorized Improvements. If the City objects to any preliminary title report, the City shall not be obligated to accept title to the applicable Authorized Improvements until the Developer has cured the objections to the reasonable satisfaction of the City.

Section 3.12. Remaining Funds After Completion of an Authorized Improvement. Upon the final completion of an Authorized Improvement and payment of all outstanding invoices for such Authorized Improvement, if the Actual Cost of such Authorized Improvement is less than the budgeted cost as shown in Exhibit C to the SAP (a "Cost Underrun"), any remaining budgeted cost will be available to pay Cost Overruns on any other Authorized Improvement. A City Representative shall promptly confirm to the Administrator (as defined in the SAP) that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Authorized Improvements. Any Cost Underrun for any Authorized Improvement is available to pay Cost Overruns on any other Authorized Improvement and may be added to the amount approved for payment in any Certificate for Payment, as agreed to by the Developer, the Administrator and the City Representative.

Section 3.13. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as "Change Orders") required for the construction of an Authorized Improvement. The Developer or its contractors may approve and implement any Change Orders even if such Change Order would increase the Actual Cost of an Authorized Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such Change Orders except to the extent amounts are available pursuant to Section 3.12 hereof. If any Change Order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under the Development Agreement, then such revisions made by an

engineer must be submitted to the City for approval by the City's engineer prior to execution of the Change Order.

SECTION 4. ADDITIONAL PROVISIONS

4.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of the Maturity Date or the date on which the Reimbursement Agreement Balance is paid in full.

4.2 No Competitive Bidding. Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended. All plans and specifications, but not construction contracts, shall be reviewed and approved, in writing, by the City prior to Developer selecting the contractor. The City shall have the right to examine and approve the contractor selected by the Developer prior to executing a construction contract with the contractor, which approval shall not be unreasonably delayed or withheld.

4.3 Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City.

4.4 Audit. The City Representative shall have the right, during normal business hours and upon three business days' prior written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Authorized Improvements. For a period of two years after completion of the Authorized Improvements or after the expenditure of all Bond Proceeds, whichever is later, the Developer shall maintain proper books of record and account for the construction of the Authorized Improvements and all costs related thereto. Such accounting books shall be maintained in accordance with customary real estate accounting principles. The Developer shall have the right, during normal business hours, to review all records and accounts pertaining to the Assessments upon written request to the City. The City shall provide the Developer an opportunity to inspect such books and records relating to the Assessments during the City's regular business hours and on a mutually agreeable date no later than ten (10) business days after the City receives such written request. The City shall keep and maintain a proper and complete system of records and

accounts pertaining to the Assessments for so long as PID Bonds remain outstanding or Reimbursement Agreement Balance remains unpaid.

4.5 Developer's Right to Protest Ad Valorem Taxes. Nothing in this Agreement shall be construed to limit or restrict Developer's right to protest ad valorem taxes. The Developer's decision to protest ad valorem taxes on Assessed Property does not constitute a Default under this Agreement.

4.6 PID Administration and Collection of Assessments. If the City designates an administrator who shall have the responsibilities provided in the SAP related to the duties and responsibilities of the administration of the PID, the City shall provide the Developer upon request with a copy of the agreement between the City and the administrator. If the City contracts with a third-party for the collection of Annual Installments of the Assessments, the City shall provide the Developer upon request with a copy of such agreement. During the term of this Agreement, the City shall notify the Developer of any change of administrator or third-party collection of the Assessments.

4.7 Representations and Warranties.

4.7.1 The Developer represents and warrants to the City that: (1) the Developer has the authority to enter into and perform its obligations under this Agreement; (2) the Developer has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement; (3) the person executing this Agreement on behalf of the Developer has been duly authorized to do so; (4) this Agreement is binding upon the Developer in accordance with its terms; and (5) the execution of this Agreement and the performance by the Developer of its obligations under this Agreement do not constitute a breach or event of default by the Developer under any other agreement, instrument, or order to which the Developer is a party or by which the Developer is bound.

4.7.2 If in connection with the issuance of PID Bonds the City is required to deliver a certificate as to tax exemption (a "Tax Certificate") to satisfy requirements of the Internal Revenue Code, the Developer agrees to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its

Tax Certificate. The Developer represents that such facts and estimates will be based on its reasonable expectations on the date of issuance of the PID Bonds and will be, to the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of such date. To the extent that it exercises control or direction over the use or investment of the PID Bond proceeds (including, but not limited to, the use of the Authorized Improvements), the Developer further agrees that it will not knowingly make, or permit to be made, any use or investment of such funds that would cause any of the covenants or agreements of the City contained in a Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

4.7.3 The City represents and warrants to the Developer that: (1) the City has the authority to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement on behalf of the City has been duly authorized to do so; (3) this Agreement is binding upon the City in accordance with its terms; and (4) the execution of this Agreement and the performance by the City of its obligations under this Agreement do not constitute a breach or event of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

4.8 Default/Remedies.

4.8.1 If either Party fails to perform an obligation imposed on such Party by this Agreement (a “Failure”) and such Failure is not cured after notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a “Default.” If a Failure is monetary, the non-performing Party shall have 10 days within which to cure. If the Failure is non-monetary, the non-performing Party shall have 30 days within which to cure.

4.8.2 If the Developer is in Default, the City shall have available all remedies at law or in equity; provided that, except as otherwise provided in this Agreement, no default by the Developer shall entitle the City to terminate this Agreement or to withhold payments to the Developer in accordance with this Agreement, the Development Agreement, and any Bond Indenture, as applicable. Notwithstanding the foregoing, in the event the Developer attempts to transfer its interests under this Agreement in violation of Section

4.10 of this Agreement, the City, in its sole discretion, shall have the right to terminate this Agreement and, if the City has not issued PID Bonds, the City, in its sole discretion, shall have the right to terminate the collection of Assessments.

4.8.3 If the City is in Default, the Developer shall be limited to mandamus relief to compel actions required to be taken by the City under this Agreement but in no event shall the Developer have any other recourse of any kind against the City or its officers, officials, employees or representatives, including but not limited to damages or other forms of monetary relief. No Default by the City shall entitle the Developer to terminate this Agreement.

4.8.4 The City shall give notice of any alleged Failure by the Developer to each Transferee identified in any notice from the Developer, and such Transferees shall have the right, but not the obligation, to cure the alleged Failure within the same cure periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Agreement unless the Transferee agrees in writing to be bound.

4.9 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the City of any remedy the City may have outside this Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction, or installation of the Authorized Improvements. The City shall not be deemed to waive any defenses or immunities, whether sovereign, governmental, legislative, qualified or otherwise, all such defenses and immunities being expressly retained. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the PID. Nothing herein shall be construed as affecting the City's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, or subdivision requirements relating to the development property in the PID.

4.10 Transfers. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with notice to) the City, the Developer's right, title, or interest to payments under this Agreement (but not performance obligations) including, but not limited to, any right, title, or interest of the Developer in and to payments of the Reimbursement Agreement Balance, whether such payments are from the PID

Reimbursement Fund or from Bond Proceeds (any of the foregoing, a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"); provided, however, that no such conveyance, transfer, assignment, mortgage, pledge, or other encumbrance shall be made without prior written consent of the City if such conveyance, transfer, assignment, mortgage, pledge, or other encumbrance would result in (1) the issuance of municipal securities, and/or (2) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, and/or (3) the City being subjected to additional reporting or recordkeeping duties.. Notwithstanding the foregoing, no Transfer shall be effective until notice of the Transfer is given to the City. The City may rely on notice of a Transfer received from the Developer without obligation to investigate or confirm the validity of the Transfer. The Developer waives all rights or claims against the City for any funds paid to a third party as a result of a Transfer for which the City received notice.

4.11 Qualified Tax-Exempt Status. In any calendar year in which PID Bonds are issued, the Developer agrees to pay the City additional costs ("Additional Costs") the City may incur in the issuance of City obligations (the "City Obligations") as described in this Section 4.9 if the City Obligations are deemed not to qualify for the designation of "qualified tax-exempt obligations" ("QTEO") as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, as a result of the issuance of PID Bonds by the City in any given year. The City agrees to deposit all funds for the payment of such Additional Costs received under this Section 4.9 into a segregated account of the City, and such funds shall remain separate and apart from all other funds and accounts of the City until December 31 of the calendar year in which the PID Bonds are issued, at which time the City is authorized to utilize such funds for any purpose permitted by law. Additionally, the City will provide the Developer on an annual basis no later than August 15th each year the projected amount of City Obligations to be issued in the upcoming year based on its annual budget process.

In the event the City issues PID Bonds prior to the issuance of City Obligations, the City's Financial Advisor shall calculate the estimated Additional Costs based on the market conditions as they exist approximately thirty (30) days prior to the date of the pricing of the PID Bonds (the "Estimated Additional Costs"), and the City shall provide a written invoice to the Developer. Unless otherwise agreed to in writing by the City, the Developer shall pay such Estimated Additional Costs to the City on or before the earlier of (i) ten (10) business days after the date of

the City's invoice and (ii) five (5) business days prior to pricing the PID Bonds. The City shall not be required to price or sell any issue of PID Bonds until the Developer has paid to the City the Estimated Additional Costs related to the PID Bonds then being issued. The Estimated Additional Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Upon the City's approval of the City Obligations, the City's Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO (the "Actual Increased Costs"). The City will, within five (5) business days of the issuance of the City Obligations, notify the Developer of the Actual Increased Costs. In the event the Actual Increased Costs are less than the Estimated Additional Costs, the City will refund to the Developer the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased Costs. If the Actual Increased Costs are more than the Estimated Additional Costs, the Developer will pay to the City the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased Costs. If the Developer does not pay the City the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased Costs, the Developer shall not be reimbursed for any Developer Advances until such payment is made in full.

In the event the City issues City Obligations prior to the issuance of PID Bonds, the City's Financial Advisor shall calculate the estimated Additional Costs based on the market conditions as they exist approximately twenty (20) days prior to the date of the pricing of the City Obligations (the "Estimated Additional City Obligation Costs"), and the City shall provide a written invoice to the Developer. The Developer shall pay such Estimated Additional City Obligation Costs to the City at least ten (10) days prior to pricing the City Obligations. If the Developer has not paid the Estimated Additional City Obligation Costs to the City by the required time, the City, at its option, may elect to designate such City Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year. The Estimated Additional City Obligation Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Upon the City's approval of the City Obligations, the City's Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as

non-QTEO (the "Actual Increased City Obligation Costs"). The City will, within five (5) business days of the issuance of the City Obligations, notify the Developer of the Actual Increased City Obligation Costs. In the event the Actual Increased City Obligation Costs are less than the Estimated Additional City Obligation Costs, the City will refund to the Developer the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased City Obligation Costs. If the Actual Increased City Obligation Costs are more than the Estimated Additional City Obligation Costs, the Developer will pay to the City the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased City Obligation Costs. If the Developer does not pay the City the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased City Obligation Costs, the Developer shall not be reimbursed for any Developer Advances until such payment is made in full.

To the extent any developer(s) or owner(s) (including the Developer, as applicable) has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by a developer or owner (including the Developer, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the developer(s) or owner(s) (including the Developer, as applicable) as necessary so as to put all developers and owners so paying for the same calendar year in the proportion set forth in the next paragraph, said reimbursement to be made by the City within ten (10) business days after its receipt of such subsequent payments of such Additional Costs.

The City shall charge Additional Costs attributable to any other developer or owner on whose behalf the City has issued debt in the same manner as described in this Section 3.4(d), and the Developer shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of the Developer's portion had already been paid to the City under this provision, then such excess of Additional Costs shall be reimbursed to the Developer. The portion owed by the Developer shall be determined by dividing the total bond proceeds from any debt issued on behalf of the Developer in such calendar year by the total bond proceeds from

any debt issued by the City for the benefit of all owners or developers (including the Developer) in such calendar year.

If in any calendar year the City issues City Obligations or PID Bonds on its own account that exceed the amount that would otherwise qualify the City for the issuance of bank qualified debt, then no Additional Costs shall be due from the Developer in connection with such PID Bonds. The Additional Costs incurred with respect to such PID Bonds shall be allocated as described above, and if any Additional Costs had already been paid by the Developer to the City for such calendar year, then such excess of Additional Costs shall be reimbursed to the Developer within five (5) business days of the issuance of such City Obligations or PID Bonds, as applicable.

4.12 Estoppel Certificate. From time to time upon written request of the Developer, the City will execute a written estoppel certificate (1) identifying any obligations of the Developer under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; or, (2) stating, to the extent true, that to the best knowledge and belief of the City, the Developer is in compliance with its duties and obligations under this Agreement.

4.13 Applicable Law; Venue. This Agreement is being executed and delivered and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply, the substantive laws of the State of Texas shall govern the interpretation and enforcement of this Agreement. In the event of a dispute involving this Agreement, venue shall lie in any court of competent jurisdiction in Rockwall County, Texas.

4.14 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (1) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (2) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City: Attn: Carl Alsabrook, City Manager
City of Royse City
305 N. Arch Street
Royse City, Texas 75189
E-mail: carl.alsabrook@roysecity.com
TEL: (972) 636-2250
FAX: (972) 635-2434

With a copy to: Attn: City Attorney
City of Royse City
305 N. Arch Street
Royse City, Texas 75189
E-mail: jason.day@roysecity.com
TEL: (214) 698-9999

To the Developer: Attn: Colin Huffines
Parker Creek Estates, L.P.
Waterscape Development LLC
8200 Douglas Avenue, Suite 300
Dallas, Texas 75225
E-mail: chuffines@huffinescommunities.com
TEL: (214) 750-1800
FAX: (214) 750-5900

With a copy to: Attn: Misty Ventura
Shupe Ventura, PLLC
9406 Biscayne Blvd.
Dallas, Texas 75218
E-mail: misty.ventura@svlandlaw.com
TEL: (214) 328-1101
FAX: (800) 519-3768

Any Party may change its address by delivering notice of the change in accordance with this section.

4.15 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound: (1) first, the provisions and intent of any applicable Bond Indenture shall control, (2) second, the provisions and intent of this Agreement shall control subject only to the terms of any applicable Bond Indenture, (3) third, the provisions and intent of the Development Agreement shall control subject only to (1) and (2), and (4) fourth, the provisions and intent of the TIRZ No. 1 Project Plan subject only to (1), (2) and (3). This Agreement may only be amended by written agreement of the Parties.

4.16 Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions.

4.17 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

4.18 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City, the Developer, and Transferees any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City, the Developer, and Transferees.

4.19 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

4.20 Iran, Sudan, and Foreign Terrorist Organizations. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

4.21 No Boycott of Israel. In *Amawi v. Pflugerville Independent School District* (1:18-cv-01091), the United States District Court for the Western District of Texas issued a preliminary injunction (the “NBI Injunction”) preventing the defendants named therein from enforcement of Texas Government Code §2270.001 et. seq, or any “No Boycott of Israel” clause in any state contract. On May 7, 2019, H.B. 793, 86th Texas Legislature, Regular Session, became law, amending Texas Government Code, §2270.001 et. seq. On May 10, 2019, the Texas Attorney General filed a Motion to Stay the NBI Injunction with the United States Court of Appeals for the Fifth Circuit. In light of the foregoing recent developments, the following representation is provided by the Developer to avoid any uncertainty regarding the authority of the City to enter into this Agreement.


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 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The 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.”

[Execution pages follow.]

CITY OF ROYSE CITY, TEXAS

By: 
Mayor

ATTEST:

By: 
City Secretary

PARKER CREEK ESTATES, L.P.,
a Texas limited partnership

By: HC Operating, L.P.,
a Texas limited partnership,
its General Partner

By: HC Operating GP, LLC
a Texas limited liability company,
its General Partner

By: 
Phillip Huffines, Managing Director

Date: **NOV 19 2019**

WATERSCAPE DEVELOPMENT, LLC,
a Texas limited liability company

By: HC Operating, L.P.,
a Texas limited partnership,
its General Partner

By: HC Operating GP, LLC
a Texas limited liability company,
its General Partner

By: 
Phillip Huffines,
Managing Director

Exhibit A

CERTIFICATE FOR PAYMENT FORM

The undersigned is an agent for Parker Creek Estates, L.P., a Texas limited partnership and Waterscape Development, LLC, a Texas limited liability company (collectively, the "Developer") and requests payment from [the applicable account of the PID Project Fund] [the PID Reimbursement Fund] from the City of Royse City, Texas (the "City") in the amount of _____ for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Authorized Improvements providing a special benefit to property within the Waterscape Public Improvement District. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the PID Reimbursement Agreement between the Developer and the City (the "Reimbursement Agreement").

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Authorized Improvements has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the Authorized Improvements below is a true and accurate representation of the Actual Costs associated with the creation, acquisition, or construction of said Authorized Improvements, and such costs (i) are in compliance with the Reimbursement Agreement, and (ii) are consistent with the SAP.
4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the Development Agreement, the Developer Continuing Disclosure Agreement, the SAP, and the Bond Indenture, if applicable.
5. The Developer has timely paid all ad valorem taxes and annual installments of Assessments it owes or an entity under common control with the Developer owes, located in the Waterscape Public Improvement District and has no outstanding delinquencies for such assessments.
6. All conditions set forth in the Bond Indenture (as defined in the Reimbursement Agreement) for the payment hereby requested have been satisfied.

7. The work with respect to the Authorized Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Authorized Improvements (or its completed segment).

8. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

9. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for major improvements or any phase of Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or segment) has been completed and the City has accepted such Authorized Improvements (or segment). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or segment).

10. The Developer confirms that [based on the statements provided by the Trustee as of the date of this Certificate for Payment and based on the percentage of the Authorized Improvements as of the date of this Certificate as verified by the City against the estimated costs from the SAP,] payment of the amounts requested in this Certificate for Payment, taking into account [all prior payments for the Authorized Improvements and] the amount of work related to the Authorized Improvements remaining to be completed as of the date of this Certificate for Payment will not cause the amounts on deposit in [the PID Project Fund][the PID Reimbursement Fund] to fall below the amount necessary to complete the remaining Authorized Improvements.

11. ***[THIS SECTION ONLY USED FOR DRAWS FROM PROJECT FUNDS UNDER IMPROVEMENT AREA #2 BOND INDENTURE:*** With respect to PID Bonds for Improvement Area #2, for aggregate payments that exceed FOUR MILLION EIGHT HUNDRED TWENTY-FOUR THOUSAND FOUR HUNDRED NINETY-EIGHT DOLLARS AND 48/100 (\$4,824,498.48) (the "Authorized Amount"), when taking into account all amounts previously paid from the Improvement Area #2 Bond Improvement Account of the Project Fund (as defined in the Bond Indenture for the Improvement Area #2 Bonds (the "Improvement Area #2 Bond Indenture") plus the amount requested under this Certificate for Payment, the Developer represents the following: (i) the estimated taxable assessed value of the property within Improvement Area #2 equals _____ DOLLARS AND __/100 (\$_____) (the "Improvement Area #2 TAV"), meaning the ratio of the Improvement Area #2 TAV to EIGHT MILLION FIVE HUNDRED SEVENTY THOUSAND DOLLARS AND 00/100 (\$8,570,000.00) is equal to at least 3.00 to 1.00; or (ii) the City has issued a certificate of occupancy for at least 31 homes within Improvement Area #2 (each a "Release Condition"), as required by the Improvement Area #2 Bond Indenture.

In determining the estimated taxable assessed value of the property within Improvement Area #2 for purposes of the above-described Release Condition, the Developer may use: (i) the sale price

(as evidenced by executed real estate contracts provided to the City) of property within Improvement Area #2 that has been sold and for which development on that property has begun; (ii) the sale price (as evidenced by executed real estate contracts provided to the City) of property within Improvement Area #2 which has been sold but for which development has not begun; (iii) the Rockwall Central Appraisal District's value of property within Improvement Area #2 established by the last tax statement sent by the Rockwall County Tax Assessor; or (iv) any combination of (i) through (iii) without duplication.

The Developer agrees and acknowledges that the City may not approve this Certificate for Payment for payment from the Improvement Area #2 Bond Improvement Account for any amounts that exceed the Authorized Amount until at least one of the Release Conditions has been satisfied.]

[THIS SECTION ONLY USED FOR DRAWS FROM PROJECT FUNDS UNDER IMPROVEMENT AREA #3 BOND INDENTURE: With respect to PID Bonds for Improvement Area #3, for aggregate payments that exceed _____ DOLLARS AND __/100 (\$____) (the "Authorized Amount"), when taking into account all amounts previously paid from the Improvement Area #3 Bond Improvement Account of the Project Fund (as defined in the Bond Indenture for the Improvement Area #3 Bonds (the "Improvement Area #3 Bond Indenture") plus the amount requested under this Certificate for Payment, the Developer represents the following: (i) the estimated taxable assessed value of the property within Improvement Area #3 equals _____ DOLLARS AND __/100 (\$____) (the "Improvement Area #3 TAV"), meaning the ratio of the Improvement Area #3 TAV to _____ DOLLARS AND __/100 (\$____) is equal to at least ____ to 1.00; or (ii) the City has issued a certificate of occupancy for at least _____ (____) homes within Improvement Area #3 (each a "Release Condition"), as required by the Improvement Area #3 Bond Indenture.

In determining the estimated taxable assessed valuation of the property within Improvement Area #3 for purposes of the above-described Release Condition, the Developer may use: (i) the sale price (as evidenced by executed real estate contracts provided to the City) of property within Improvement Area #3 that has been sold and for which development on that property has begun; (ii) the sale price (as evidenced by executed real estate contracts provided to the City) of property within Improvement Area #3 which has been sold but for which development has not begun; (iii) the Rockwall Central Appraisal District's value of property within Improvement Area #3 established by the last tax statement sent by the Rockwall County Tax Assessor; or (iv) any combination of (i) through (iii) without duplication.

The Developer agrees and acknowledges that the City may not approve this Certificate for Payment for payment from the Improvement Area #3 Bond Improvement Account for any amounts that exceed the Authorized Amount until at least one of the Release Conditions has been satisfied.]

Payments requested are as follows:

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

[If the Authorized Improvements are to be paid in part from one series of PID Bonds and in part from another, insert the following:

As required by Section ____ of the Bond Indenture, the costs for the Authorized Improvements that constitutes the pro-rata share of such Authorized Improvements allocable to the designated Bonds shall be paid as follows:

Authorized Improvements:	Amount to be paid from _____ Fund	Amount to be paid from _____ Fund	Total Cost of Authorized Improvements

]

Attached hereto are invoices, cancelled checks, receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are "bills paid" affidavits and supporting documentation in the standard form for City construction projects.

Pursuant to the Reimbursement Agreement, after receiving this payment request, the City has inspected the Authorized Improvements (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

I hereby declare that the above representations and warranties are true and correct.

PARKER CREEK ESTATES, L.P.,
a Texas limited partnership

By: HC Operating, L.P.,
a Texas limited partnership,
its General Partner

By: HC Operating GP, LLC
a Texas limited liability company,
its General Partner

By: _____
Phillip Huffines, Managing Director

Date: _____

WATERSCAPE DEVELOPMENT, LLC,
a Texas limited liability company

By: HC Operating, L.P.,
a Texas limited partnership,
its General Partner

By: HC Operating GP, LLC
a Texas limited liability company,
its General Partner

By: _____
Phillip Huffines,
Managing Director

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, acknowledges that the Authorized Improvements (or its completed segment) covered by the certificate have been inspected by the City, and otherwise finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment [and shall include said payments in the City Certificate (as defined in the Bond Indenture) submitted to the Trustee directing payments to be made from the applicable fund in accordance with the Bond Indenture] [and approves payment to be made from the PID Reimbursement Fund] to the Developer or to any person designated by the Developer.

CITY OF ROYSE CITY, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for Parker Creek Estates, L.P., a Texas limited partnership and Waterscape Development, LLC, a Texas limited liability company (collectively, the "Developer") and requests payment to the Developer (or to the person designated by the Developer) from the applicable account of the PID Project Fund from _____ (the "Trustee") in the amount of _____ (\$_____) to be transferred from the applicable account of the Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of the Waterscape Public Improvement District (the "District"), as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City and the Trustee dated as of _____, 20__ (the "Indenture") relating to the "[INSERT NAME OF BONDS]" (the "PID Bonds").

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below costs is a true and accurate representation of the Actual Costs associated with the establishment, administration and operation of the District at the time of the delivery of the PID Bonds, and such costs are in compliance with the SAP.
4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the Indenture, the Developer Continuing Disclosure Agreement (as defined in the Reimbursement Agreement), the SAP, and the Development Agreement (as defined in the Reimbursement Agreement).
5. All conditions set forth in the Indenture and the Reimbursement Agreement for the payment hereby requested have been satisfied.
6. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

[Information regarding Payee, amount, and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

PARKER CREEK ESTATES, L.P.,
a Texas limited partnership

By: HC Operating, L.P.,
a Texas limited partnership,
its General Partner

By: HC Operating GP, LLC
a Texas limited liability company,
its General Partner

By: _____
Phillip Huffines, Managing Director

Date: _____

WATERSCAPE DEVELOPMENT, LLC,
a Texas limited liability company

By: HC Operating, L.P.,
a Texas limited partnership,
its General Partner

By: HC Operating GP, LLC
a Texas limited liability company,
its General Partner

By: _____
Phillip Huffines,
Managing Director

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the applicable account under the Indenture upon delivery of the PID Bonds.

CITY OF ROYSE CITY, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Addendum to the Amended and Restated PID Reimbursement Agreement
Waterscape

This Addendum (this "Addendum") to the *Amended and Restated PID Reimbursement Agreement – Waterscape* (the "Reimbursement Agreement") is entered into by Parker Creek Estates, L.P., a Texas limited partnership ("Parker Creek"), Waterscape Development, LLC, a Texas limited liability company ("Waterscape Development"), and HC Royse 548, LLC, a Texas limited liability company ("HC Royse," and together with Parker Creek and Waterscape Development, collectively, the "Developer") and the City of Royse City, Texas (the "City"), to be effective July 26, 2022 (the "Effective Date"). The Developer and the City are individually referred to as a "Party" and collectively as the "Parties."

RECITALS

1.1 WHEREAS, capitalized terms used in this Addendum and not otherwise defined shall have the meanings given to them in the Reimbursement Agreement;

1.2 WHEREAS, the City, Parker Creek and Waterscape Development entered into the Reimbursement Agreement, effective November 19, 2019, for the purpose of financing a portion of the costs of certain Authorized Improvements within the PID from: (1) the issuance of PID Bonds, (2) revenues generated from collection of Assessments levied against specially benefitted property within the PID, or (3) a combination of (1) and (2);

1.3 WHEREAS, the property within the PID is being developed in phases or "Improvement Areas", and Assessments for each Improvement Area have been or will be levied against the Assessed Property within such Improvement Area to pay the costs of Authorized Improvements that confer a special benefit on the Assessed Property within such Improvement Area;

1.4 WHEREAS, on November 19, 2019, the City Council passed and approved an ordinance levying Assessments on certain property outside of Improvement Area #1 within the PID (the "Future Improvement Areas") in accordance with the Assessment Rolls attached to the 2019 SAP;

1.5 WHEREAS, when the Parties entered into the Reimbursement Agreement the Developer intended to develop the Future Improvement Areas in two final phases identified in the Reimbursement Agreement as Improvement Area #2 and Improvement Area #3 (as originally identified, the "Original Improvement Area #3");

1.6 WHEREAS, Parker Creek sold a portion of the Original Improvement Area #3 to HC Royse on April 6, 2021, and assigned all of its right, title and interest to the Reimbursement Agreement with respect to the portion of the land sold to HC Royse; and

1.7 WHEREAS, the Developer now intends to develop the Original Improvement Area #3 in two phases, one of which consists of 84.50 acres (the current "Improvement Area #3") and the other consists of 30.87 acres (the current "Improvement Area #4");

1.8 WHEREAS, the Parties desire to replace the defined term "Improvement Area #3" in the Reimbursement Agreement with "Improvement Area #3" and "Improvement Area #4" as defined in the SAP;

1.9 WHEREAS, the Parties desire to replace the defined term "Improvement Area #3 Bonds" with "Improvement Area #3 Bonds" as defined in the 2022 SAP and "Improvement Area #4 Bonds" as defined herein; and

1.10 WHEREAS, when the Parties entered into the Reimbursement Agreement, the Developer had not yet purchased the Additional Property; and

1.11 WHEREAS, on June 22, 2020, Waterscape 4, LLC acquired the Additional Property and provisions in the Reimbursement Agreement regarding Developer's failure to acquire the Additional Property are no longer applicable; and

1.12 WHEREAS, the Parties desire to make this Addendum to clarify certain terms used in the Reimbursement Agreement as a result of changes in development plans.

NOW THEREFORE, for valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

ADDENDUM

1. The recitals in the "WHEREAS" clauses of this Addendum are true and correct and are incorporated as part of this Addendum for all purposes.

2. Section 1.10 "the SAP" is changed to "the 2019 SAP".

3. Section 2, Definitions of the Reimbursement Agreement is modified as follows:

- a. Section 2.4: Replace the term "Administrative Expenses" with "Annual Collection Costs".
 - b. Add: "Improvement Area #4" is defined in the SAP.
 - c. Add: "Improvement Area #4 Assessment" means the Assessment the City intends to levy in the future against property within Improvement Area #4.
 - d. Add ____: "Improvement Area #4 Bonds" means those certain special assessment revenue bonds that the City intends to issue in the future that will be secured by actual revenues received by or on behalf of the City from the collection of Assessments against Assessed Property in Improvement Area #4.
 - e. Section 2.48: Replace the term "SAP" with "2019 SAP".
 - f. Add: "SAP" is defined as the Waterscape Public Improvement District Amended and Restated Service and Assessment Plan approved by the City Council on July 26, 2022, that replaced the 2019 SAP in its entirety, as the same may be amended and updated from time to time by City Council action.
4. Except as used in Section 2, Definitions and Exhibit A – Certificate for Payment Form, all references to Improvement Area #3 shall be replaced with "Improvement Area #3 and Improvement Area #4."
5. Except as used in Section 2, Definitions and Exhibit A – Certificate for Payment Form, all references to "Improvement Area #3 Bonds" shall be replaced with "Improvement Area #3 Bonds and Improvement Area #4 Bonds."
6. All references to "Administrative Expenses" shall be replaced with "Annual Collection Costs."
7. Section 3.4 Delete: Notwithstanding any other provision in this Agreement, if the Developer does not acquire the Additional Property (as defined in the Development Agreement) by December 31, 2020, then the Development Agreement requires that a school site shall be dedicated within Improvement Area #3 and the Improvement Area #3 Assessments levied on

property within Improvement Area #3 shall be reduced to accommodate the school site without triggering a prepayment of Improvement Area #3 Assessments so long as PID Bonds for Improvement Area #3 Improvements (as defined in the SAP) have not been issued and the outstanding Reimbursement Agreement Balance shall automatically be reduced in accordance with the terms of this Agreement and the SAP.

8. Add to Exhibit A, Paragraph 11: [THIS SECTION ONLY USED FOR DRAWS FROM PROJECT FUNDS UNDER IMPROVEMENT AREA #4 BOND INDENTURE: With respect to PID Bonds for Improvement Area #4, for aggregate payments that exceed _____ DOLLARS AND __/100 (\$____) (the "Authorized Amount"), when taking into account all amounts previously paid from the Improvement Area #4 Bond Improvement Account of the Project Fund (as defined in the Bond Indenture for the Improvement Area #4 Bonds (the "Improvement Area #4 Bond Indenture") plus the amount requested under this Certificate for Payment, the Developer represents the following: (i) the estimated taxable assessed value of the property within Improvement Area #4 equals _____ DOLLARS AND __/100 (\$____) (the "Improvement Area #4 TAV"), meaning the ratio of the Improvement Area #4 TAV to _____ DOLLARS AND __/100 (\$____) is equal to at least ____ to 1.00; or (ii) the City has issued a certificate of occupancy for at least _____ (__) homes within Improvement Area #4 (each a "Release Condition"), as required by the Improvement Area #4 Bond Indenture.

In determining the estimated taxable assessed valuation of the property within Improvement Area #4 for purposes of the above-described Release Condition, the Developer may use: (i) the sale price (as evidenced by executed real estate contracts provided to the City) of property within Improvement Area #4 that has been sold and for which development on that property has begun; (ii) the sale price (as evidenced by executed real estate contracts provided to the City) of property within Improvement Area #4 which has been sold but for which development has not begun; (iii) the Rockwall Central Appraisal District's value of property within Improvement Area #4 established by the last tax statement sent by the Rockwall County Tax Assessor; or (iv) any combination of (i) through (iii) without duplication.

The Developer agrees and acknowledges that the City may not approve this Certificate for Payment for payment from the Improvement Area #4 Bond Improvement Account for any amounts that exceed the Authorized Amount until at least one of the Release Conditions has been satisfied.]

9. Any Exhibit A - Certificate for Payment Form or Exhibit B – Closing Disbursement Request submitted in connection with the issuance of PID Bonds relating to Improvement Area #3 shall also be signed by HC Royse in addition to Waterscape Development.

10. The Parties hereby ratify and confirm the Reimbursement Agreement, as modified by this Addendum, in its entirety; and, all terms and provisions of the Reimbursement Agreement, except as may be modified expressly or by necessary implication by this Addendum, remain in full force and effect except to the extent noted in this Addendum.

11. This Addendum may be amended only by written agreement of the Parties.

12. This Addendum may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

13. Employment of Undocumented Workers. During the term of the Reimbursement Agreement, the Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a(f), the Developer shall repay the incentives granted herein within 120 days after the date the Developer is notified by the City of such violation, plus interest at the rate of six percent (6%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101(c), Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

14. No Boycott of Israel. To the extent the Reimbursement Agreement and this Addendum thereto constitute a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of the Reimbursement Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing

verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

15. Iran, Sudan, and Foreign Terrorist Organizations. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable to City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law or Texas 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.

16. No Discrimination Against Fossil Fuel Companies. To the extent the Reimbursement Agreement and this Addendum thereto constitute a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies" a term defined in

Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

17. No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent the Reimbursement Agreement and this Addendum thereto constitute a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification and the following definitions:

(a) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade

of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(b) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and


(c) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code."

18. Affiliate. As used in Sections 13 through 17, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

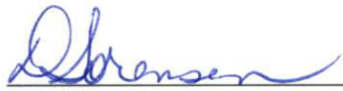
19. Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application system not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

[Execution pages follow.]

CITY OF ROYSE CITY, TEXAS

By: 
Mayor

ATTEST:

By: 
City Secretary

PARKER CREEK ESTATES, L.P.,
a Texas limited partnership

By: HC Operating, L.P.,
a Texas limited partnership,
its General Partner

By: HC Operating GP, LLC
a Texas limited liability company,
its General Partner

By: 
Phillip Huffines, Managing Director

WATERSCAPE DEVELOPMENT, LLC,
a Texas limited liability company

By: 
Phillip Huffines, Managing Member

HC ROYSE 548, LLC,
a Texas limited liability company

By: 
Phillip W. Huffines, Managing Director

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APPENDIX G

APPRAISAL OF IMPROVEMENT AREA #4

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Appraisal of Real Property

Waterscape PID, IA #4 (Phase 3B)

Part of a Master-Planned Residential Subdivision
Southwest side of Crenshaw Road, southeast of FM-548
Royse City, Rockwall County, Texas 75189

Prepared For:

FMSbonds, Inc.

Date of the Report:

February 7, 2024

Report Format:

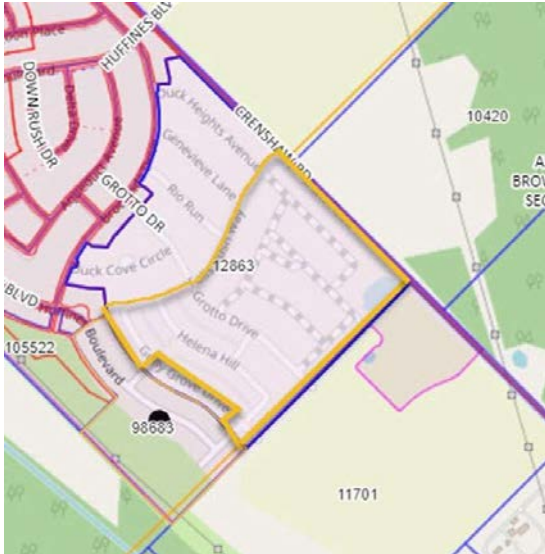
Appraisal Report

IRR - Dallas

File Number: 191-2024-0062



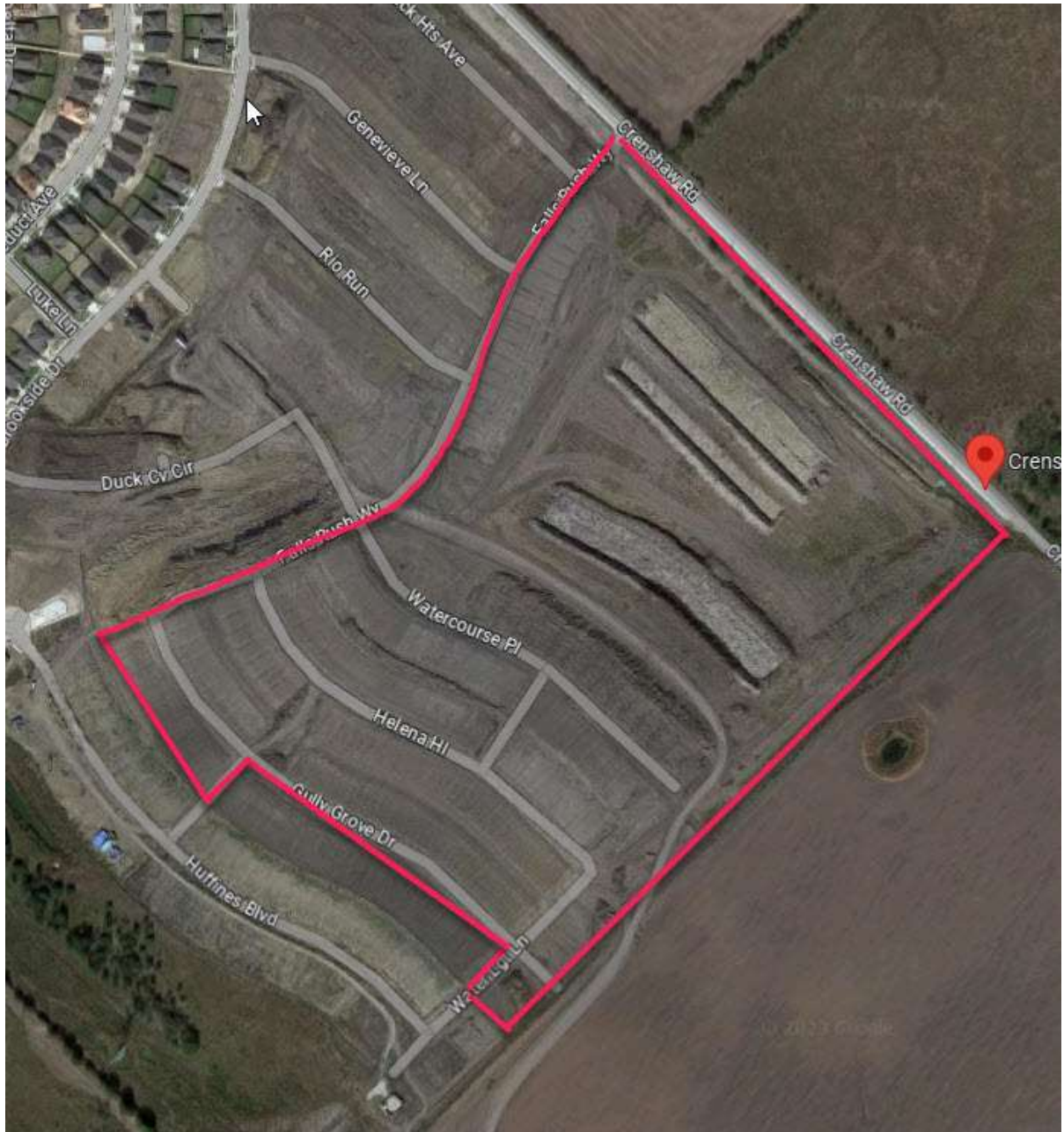
Subject Photographs



Waterscape PID, IA #4 (Phase 3B)

Southwest side of Crenshaw Road, southeast of FM-548
Royse City, Rockwall County, Texas

Aerial Photograph





February 7, 2024

Mr. R. R. "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, TX 75034

SUBJECT: Market Value Appraisal
 Waterscape PID, IA #4 (Phase 3B)
 Southwest side of Crenshaw Road, southeast of FM-548
 Royse City, Rockwall County, Texas 75189
 IRR - Dallas File No. 191-2024-0062

Dear Mr. Davenport, III:

Integra Realty Resources – Dallas is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the prospective market value as completed of the fee simple interest in the property as of the effective date of the appraisal of May 31, 2024. The client for the assignment is FMSbonds, Inc., and the intended use is for the underwriting of a proposed public improvement district bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City nor is it the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the "PID"; provided that it is acknowledged that this appraisal will be included in a limited offering memorandum for PID bonds.

The subject represents Improvement Area #4 (IA #4) being developed as Phase 3B of the Waterscape Public Improvement District (PID) located in the city of Royse City, Rockwall County, Texas. Phase 3B is currently under construction with a total of 148 single-family lots on 30.87 acres with an expected substantial completion date of May 31, 2024. Phase 3B is being developed with two typical lot types (40' and 50' frontage lots) designed for front access.

The PID is located within the Royse City ISD and is governed under a Planned Development District allowing for detached single-family use according to the accepted concept plan.

Access to the property is provided from the main entrance from FM-548 via existing interior streets as well as direct access from Crenshaw Road (northern boundary). An amenity center with pool, clubhouse, playground, and sand volleyball court was completed in earlier phases. The unit mix for the subject follows:

Waterscape PID, IA #4, Royse City, Rockwall County, Texas

Phase	Acres	Density	Typical Lot Dimensions		Total Lots	Expected
		Per Acre	40' x 120'	50' x 120'		Completion Date
3B	30.87	4.8	58	90	148	May 31, 2024

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and applicable state appraisal regulations.

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusions

Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Completed	Fee Simple	May 31, 2024	\$10,620,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by Huitt-Zollars, Inc. (engineering/surveyors), HC Royse 548, LLC (owner/developer), the city of Royse City, and the Rockwall Central Appraisal District is assumed to be correct.
2. The subject is proposed construction. Therefore, this report contains a prospective opinion of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective date.
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of May 31, 2024, the effective appraisal date.
4. The value presented within this report is prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The opinions of value expressed in this report are based on estimates and forecasts which are prospective in nature and subject to considerable risk and uncertainty. Events may occur which could cause the performance of the property to differ materially from the estimates contained herein, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, the concluded opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, IRR is not responsible for the effects of future, unforeseen occurrences.

Mr. R. R. "Tripp" Davenport, III
FMSbonds, Inc.
February 7, 2024
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If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Dallas



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Quality Assurance

IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

Designated IRR Certified Reviewer

The IRR Certified Reviewer who provided the quality assurance assessment for this assignment is Jimmy H. Jackson, MAI.

Executive Summary

Property Name	Waterscape PID, IA #4 (Phase 3B)
Address/Location	Southwest side of Crenshaw Road, southeast of FM-548 Royse City, Rockwall County, Texas 75189
Property Type	Land - Single Family Development Land
Owner of Record	HC Royse 548 LLC
Tax ID	12863
Legal Description	Samuel C. Wright Survey, Abstract No. 218, Royse City, Rockwall County, Texas
School District	Royse City ISD
Land Area	30.87 acres; 1,344,482 SF
Total Single-Family Lots	148
Typical Lot Dimensions	58 lots (40' x 120' or 4,800 SF); 90 lots (50' x 120' or 6,000 SF)
Zoning Designation	PD, Planned Development
Highest and Best Use	Single-family residential use
Exposure Time; Marketing Period	9 - 12 months; 9 - 12 months
Effective Date of the Appraisal	May 31, 2024
Date of the Report	February 7, 2024
Property Interest Appraised	Fee Simple

Value Conclusions

40' Frontage Lots	\$70,000	(\$1,750/Front Footage)
50' Frontage Lots	\$82,500	(\$1,650/Front Footage)
Cumulative Retail Value*	\$11,485,000	(\$77,601/Lot Average)

***It should be clearly understood that the summation of lot values does not represent our opinion of the market discounted/bulk value, as if the lots are all sold in bulk in a single transaction.**

Value Conclusion

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Completed	Fee Simple	May 31, 2024	\$10,620,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by Huitt-Zollars, Inc. (engineering/surveyors), HC Royse 548, LLC (owner/developer), the city of Royse City, and the Rockwall Central Appraisal District is assumed to be correct.
2. The subject is proposed construction. Therefore, this report contains a prospective opinion of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective date.
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of May 31, 2024, the effective appraisal date.
4. The value presented within this report is prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Strengths, Weaknesses, Opportunities, Threats (SWOT Analysis)

The analyses presented in this report consider the internal strengths and weaknesses of the subject property, as well as opportunities and external threats. The overall valuation influences are summarized in the following table.

Valuation Influences

Strengths

- Limited amount of available developed lots in market area
- Continued demand for residential lots in market area
- Simple development plan
- The property is located in a fast-growing area.
- Easy access to major neighborhood thoroughfares
- The property is located within a Public Improvement District.
- Increasing population base

Weaknesses

- Potential competition from other developments
- Large supply of vacant undeveloped land

Opportunities

- Profit from lot sales
- Demand for new housing remains relatively strong
- Large number of new homes under construction in the immediate area

Threats

- Inflation has risen in the past year as the economy recovers from the pandemic economic shutdowns and demand shocks. This may tend to inflate operating costs diminishing profit on the project.
 - Although Federal Reserve Chairman Powell remains non-committal, it is certain that the Federal Reserve will continue to closely monitor inflationary factors as well as unemployment in the US economy. Based on favorable and positive unemployment as well as other inflationary measures, the Fed could decide to keep interest rates stable or even implement an interest rate cut beginning in March of 2024. This inflation/unemployment monitoring will continue on a quarterly basis throughout the remainder of 2024. As such, depending on inflation factors/unemployment figures, there could still be emerging upward pressure on lending interest rates.
-

Identification of the Appraisal Problem

Subject Description

The subject represents Improvement Area #4 (IA #4) being developed as Phase 3B of the Waterscape Public Improvement District (PID) located in the city of Royse City, Rockwall County, Texas. Phase 3B is currently under construction with a total of 148 single-family lots on 30.87 acres with an expected substantial completion date of May 31, 2024. Phase 3B is being developed with two typical lot types (40' and 50' frontage lots) designed for front access. The PID is located within the Royse City ISD and is governed under a Planned Development District allowing for detached single-family use according to the accepted concept plan. Access to the property is provided from the main entrance from FM-548 via existing interior streets as well as direct access from Crenshaw Road (northern boundary). An amenity center with pool, clubhouse, playground, and sand volleyball court was completed in earlier phases.

A legal description of the property is provided in the addendum.

Property Identification

Property Name	Waterscape PID, IA #4 (Phase 3B)
Address	Southwest side of Crenshaw Road, southeast of FM-548 Royse City, Texas 75189
Tax ID	12863
Owner of Record	HC Royse 548 LLC

Sale History

The most recent closed sale of the subject is summarized as follows:

Sale Date	April 6, 2021
Seller	Parker Creek Estates LP
Buyer	HC Royse 548 LLC
Sale Price	N/A
Recording Instrument Number	2021-0000008458
Comments	This transaction was between entities under the same umbrella and is not considered an arm's length transaction

No other known sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

To the best of our knowledge, the property, as a whole, is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date. However, the residential lots under construction are contracted as follows:

Lot Contract Summary							
		Base Price Lots		Premium Price Lots			
Home Builder	Total Lots	Total Base Lots	Base Price	Total Premium lots	Lot Price w/Premium	Price/FF	Total Absorption
HMH Lifestyles, L.P.	64						In bulk
40' x 120'		22	\$66,000	5	\$71,000	\$1,650-\$1,838	
				2	\$73,500		
50' x 120'		26	\$80,000	7	\$85,000	\$1,600-\$1,800	
				2	\$90,000		
Highland Homes - Dallas, LLC	64						In bulk
40' x 120'		21	\$66,000	8	\$71,000	\$1,650-\$1,775	
50' x 120'		25	\$80,000	10	\$85,000	\$1,600-\$1,700	
Saint Vincent Homes*	20						
50' x 120'		20	\$80,000			\$1,600	In bulk
Totals	148	114		34			

*Being negotiated

All lots are contracted with a \$1,250/lot amenity fee, a \$500/lot marketing fee, a \$900/lot natural gas fee, and a \$350/lot cluster mailbox fee.

As shown, a total of 114 of the 40' and 50' lots are contracted at a base lot price based upon \$1,650/FF for the 40' lots and at \$1,600/FF for the 50' lots. A total of 34 premium 40' and 50' lots are contracted at a range of \$1,775/FF to \$1,838/FF for premium 40' lots and at a range of \$1,700/FF to \$1,800/FF for 50' premium lots. It is noted that Saint Vincent Homes is a related party (owned by Terence Huffines); however, it is our understanding that the 20 -50' lots are being negotiated at the same base price of \$80,000/lot (\$1,600/FF).

The contracted base lot prices are supported by comparable market lot sales data and our overall opinions of value (\$70,000/lot or \$1,750/FF for 40' lots and \$82,500/lot or \$1,650/FF for 50' lots). The upper end of the premium lot values are slightly above our overall opinion of value for the lots.

Appraisal Purpose

The purpose of the appraisal is to develop the following opinions of value:

- The prospective market value as completed of the fee simple interest in the subject property as of the effective date of the appraisal, May 31, 2024

The date of the report is February 7, 2024. The appraisal is valid only as of the stated effective date or dates.

Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 7th ed. [Chicago: Appraisal Institute, 2022])

Prospective Market Value As Completed

The market value of a property as of a future date when all construction is expected to be completed. It is based on market conditions forecasted to exist as of the completion date. This value premise assumes the project is complete and ready to lease to individual tenants.²

Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

¹ Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also, Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

² Compiled and summarized from several industry sources.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.³

Client and Intended User(s)

The client and intended user is FMSbonds, Inc. No other party(s) is intended to rely on the information, opinions, and conclusions contained in this report; provided that it is acknowledged that this appraisal will be used in a limited offering memorandum for PID bonds.

Intended Use

The intended use of the appraisal is for the underwriting of a proposed public improvement district bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City nor is it the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the "PID". The appraisal is not intended for any other use.

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP)
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute
- Applicable state appraisal regulations

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have previously appraised the property that is the subject of this report for another client. We have provided no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

Scope of Work

Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Subject Property Data Sources

The legal and physical features of the subject property, including size of the site, flood plain data, seismic zone designation, property zoning, existing easements and encumbrances, access and exposure were confirmed and analyzed.

Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection		
Party	Inspection Type	Inspection Date
Shelley Sivakumar	On-site	February 1, 2024
Jimmy H. Jackson, MAI	None	N/A
Ernest Gatewood	On-site	February 1, 2024

Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the cost approach, the sales comparison approach, and the income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach - (Subdivision Development Analysis)	Applicable	Utilized

The Sales Comparison Approach involves research, verification, and comparison of sales of other vacant lots. The sales are then adjusted for value-related differences. Because Texas is not a full disclosure state, sales prices must be obtained from grantors, grantees, brokers, lenders, other persons involved in the transaction, or other appraisers when the information is believed to be reliable. In many cases, the sources of the information wish to remain anonymous and are not included; however, the sale data is used only if the data is believed to be accurate, and the sources of the information are kept on file.

The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Because Texas is not a full disclosure state, sales prices must be obtained from grantors, grantees, brokers, lenders, other persons involved in the transaction, or other appraisers when the information is believed to be reliable. In many cases, the sources of the information wish to remain anonymous and are not included; however, the sale data is used only if the data is believed to be accurate, and the sources of the information are kept on file. Cost figures were obtained from the developer and compared to cost figures on competing developments. The cost figures are based on actual costs provided by the developer. Developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

In the Income Capitalization Approach, specific appraisal techniques are applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

In the Subdivision Development Approach, the retail value of the lots has been estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. The indicated value by the Income Capitalization Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

Economic Analysis

Rockwall County Area Analysis

Rockwall County is located in North Central Texas approximately 30 miles east of Dallas. It is 127 square miles in size and has a population density of 953 persons per square mile.

Population

Rockwall County has an estimated 2023 population of 121,073, which represents an average annual 3.9% increase over the 2020 census of 107,819. Rockwall County added an average of 4,418 residents per year over the 2020-2023 period, and its annual growth rate exceeded the Dallas MSA rate of 1.3%.

Looking forward, Rockwall County's population is projected to increase at a 2.1% annual rate from 2023-2028, equivalent to the addition of an average of 2,634 residents per year. Rockwall County's growth rate is expected to exceed that of the Dallas MSA, which is projected to be 1.0%.

Population Trends					
	Population			Compound Ann. % Chng	
	2020 Census	2023 Estimate	2028 Projection	2020 - 2023	2023 - 2028
Rockwall County, TX	107,819	121,073	134,243	3.9%	2.1%
Dallas-Fort Worth-Arlington, TX Metro	7,637,387	7,933,171	8,329,332	1.3%	1.0%
Texas	29,145,505	30,065,904	31,310,079	1.0%	0.8%
USA	331,449,281	334,500,069	341,662,969	0.3%	0.4%

Source: Claritas

Employment

Total employment in Rockwall County was estimated at 37,403 jobs as of June 2022. Between year-end 2012 and 2022, employment rose by 14,652 jobs, equivalent to a 64.4% increase over the entire period. There were gains in employment in nine out of the past ten years. Consistent with national trends, there were losses in 2020, with the onset of the COVID-19 pandemic, followed by a return to positive growth in 2021. Rockwall County's rate of employment growth over the last decade surpassed that of the Dallas MSA, which experienced an increase in employment of 26.0% or 791,091 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Rockwall County unemployment rate has been consistently lower than that of the Dallas MSA, with an average unemployment rate of 4.3% in comparison to a 4.7% rate for the Dallas MSA. A lower unemployment rate is a positive indicator.

Recent data shows that the Rockwall County unemployment rate is 3.7% in comparison to a 3.9% rate for the Dallas MSA, a positive sign that is consistent with the fact that Rockwall County has outperformed the Dallas MSA in the rate of job growth over the past two years.

Employment Trends

Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Rockwall County	% Change	Dallas MSA	% Change	Rockwall County	Dallas MSA
2012	22,751		3,044,114		6.1%	6.5%
2013	23,989	5.4%	3,127,712	2.7%	5.8%	6.2%
2014	25,148	4.8%	3,254,583	4.1%	4.6%	5.1%
2015	27,192	8.1%	3,360,668	3.3%	3.8%	4.1%
2016	29,250	7.6%	3,441,839	2.4%	3.5%	3.9%
2017	30,592	4.6%	3,526,930	2.5%	3.4%	3.7%
2018	32,005	4.6%	3,606,436	2.3%	3.3%	3.6%
2019	33,945	6.1%	3,719,023	3.1%	3.1%	3.3%
2020	33,313	-1.9%	3,595,494	-3.3%	6.0%	7.1%
2021	36,172	8.6%	3,829,259	6.5%	4.3%	5.1%
2022*	37,403	3.4%	3,835,205	0.2%	3.2%	3.6%
Overall Change 2012-2022	14,652	64.4%	791,091	26.0%		
Avg Unemp. Rate 2012-2022					4.3%	4.7%
Unemployment Rate - July 2023					3.7%	3.9%

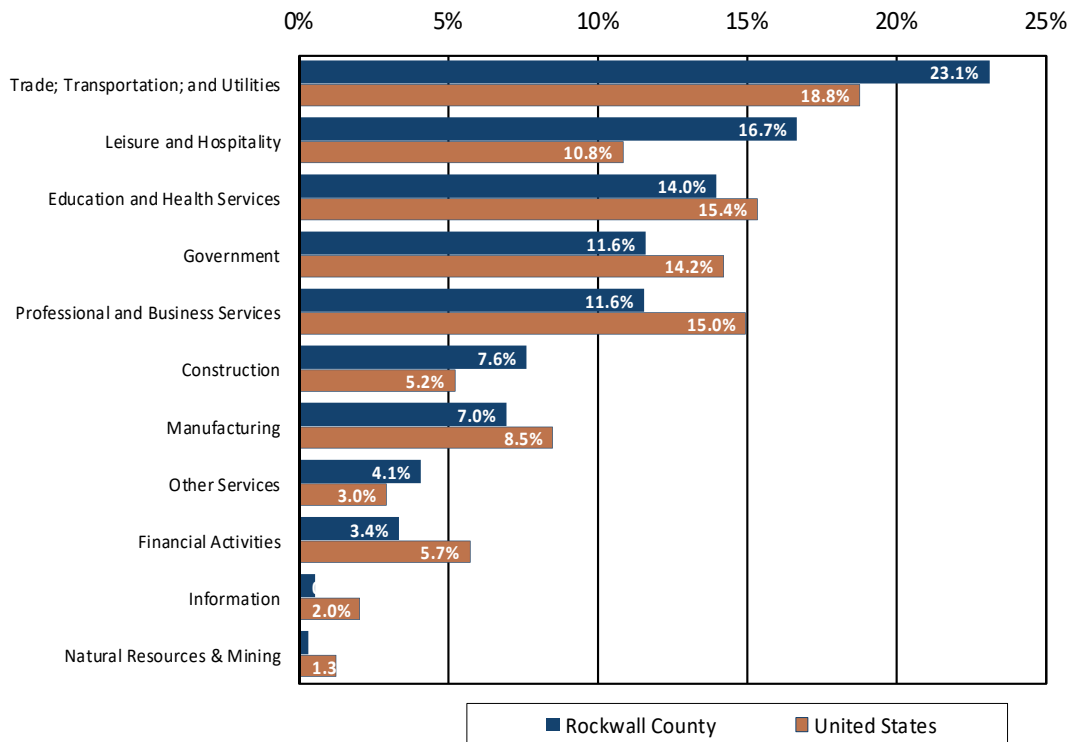
*Total employment data is as of June 2022; unemployment rate data reflects the average of 11 months of 2022.

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Rockwall County job market is depicted in the chart below. A complete data set is not available for the Dallas MSA, so Rockwall County will be compared to the United States. Total employment for the two areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Rockwall County jobs in each category.

Employment Sectors - 2022



Source: U.S. Bureau of Labor Statistics and Moody's Analytics

Rockwall County has greater concentrations than the United States in the following employment sectors:

1. Trade; Transportation; and Utilities, representing 23.1% of Rockwall County payroll employment compared to 18.8% for the nation overall. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Leisure and Hospitality, representing 16.7% of Rockwall County payroll employment compared to 10.8% for the nation overall. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
3. Construction, representing 7.6% of Rockwall County payroll employment compared to 5.2% for the nation overall. This sector includes construction of buildings, roads, and utility systems.

4. Other Services, representing 4.1% of Rockwall County payroll employment compared to 3.0% for the nation overall. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.

Rockwall County is underrepresented in the following sectors:

1. Education and Health Services, representing 14.0% of Rockwall County payroll employment compared to 15.4% for the nation overall. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
2. Government, representing 11.6% of Rockwall County payroll employment compared to 14.2% for the nation overall. This sector includes employment in local, state, and federal government agencies.
3. Professional and Business Services, representing 11.6% of Rockwall County payroll employment compared to 15.0% for the nation overall. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
4. Manufacturing, representing 7.0% of Rockwall County payroll employment compared to 8.5% for the nation overall. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

Major Employers

Major employers in Rockwall County are shown in the following table.

Major Employers - Rockwall County, TX		
	Name	Number of Employees
1	Rockwall ISD	1,556
2	Texas Health Presbyterian Hospital	592
3	Wal-Mart	492
4	Rockwall County	299
5	Texas Star Express	275
6	City of Rockwall	262
7	Hilton Bella Harbor	200+
8	Costco	200+
9	Special Products & Manufacturing	200+
10	Target	200+

Source: <https://rockwalledc.com/primary-employers/>

Major employers in the DFW metro area are shown in the following table.

Major Employers - DFW Metro		
	Name	Number of Employees
1	AMR Corporation	24,700
2	Bank of America Corporation	20,000
3	Texas Health Resources Inc.	19,230
4	Dallas ISD	18,314
5	Baylor Health Care System	17,097
6	AT&T	15,800
7	Lockheed Martin Aeronautics	14,126
8	JP Morgan Chase & Co.	13,500
9	UT-Southwestern Medical Center	13,122
10	City of Dallas	12,836

Source: <http://www.destinationdfw.com/Largest-Employers-in-Dallas-Fort-Worth-Texas/>

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been considerably higher in Rockwall County than the Dallas MSA overall during the past decade. Rockwall County has grown at a 6.7% average annual rate while the Dallas MSA has grown at a 3.5% rate. Rockwall County continues to perform better than the Dallas MSA. GDP for Rockwall County rose by 8.1% in 2021 while the Dallas MSA's GDP rose by 6.9%.

Rockwall County has a per capita GDP of \$33,913, which is 49% less than the Dallas MSA's GDP of \$66,238. This means that Rockwall County industries and employers are adding relatively less value to the economy than their counterparts in the Dallas MSA.

Gross Domestic Product				
Year	(\$,000s) Rockwall County	% Change	(\$,000s) Dallas MSA	% Change
2011	2,070,590		365,601,169	
2012	2,180,143	5.3%	377,846,407	3.3%
2013	2,330,428	6.9%	388,536,307	2.8%
2014	2,417,494	3.7%	402,787,824	3.7%
2015	2,562,745	6.0%	422,048,089	4.8%
2016	2,750,119	7.3%	435,497,728	3.2%
2017	2,978,946	8.3%	450,467,241	3.4%
2018	3,207,091	7.7%	469,741,026	4.3%
2019	3,463,950	8.0%	486,572,160	3.6%
2020	3,652,486	5.4%	480,618,181	-1.2%
2021	3,946,843	8.1%	513,979,216	6.9%
Compound % Chg (2011-2021)		6.7%		3.5%
GDP Per Capita 2021	\$33,913		\$66,238	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2022.

The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2012 dollars.

Household Income

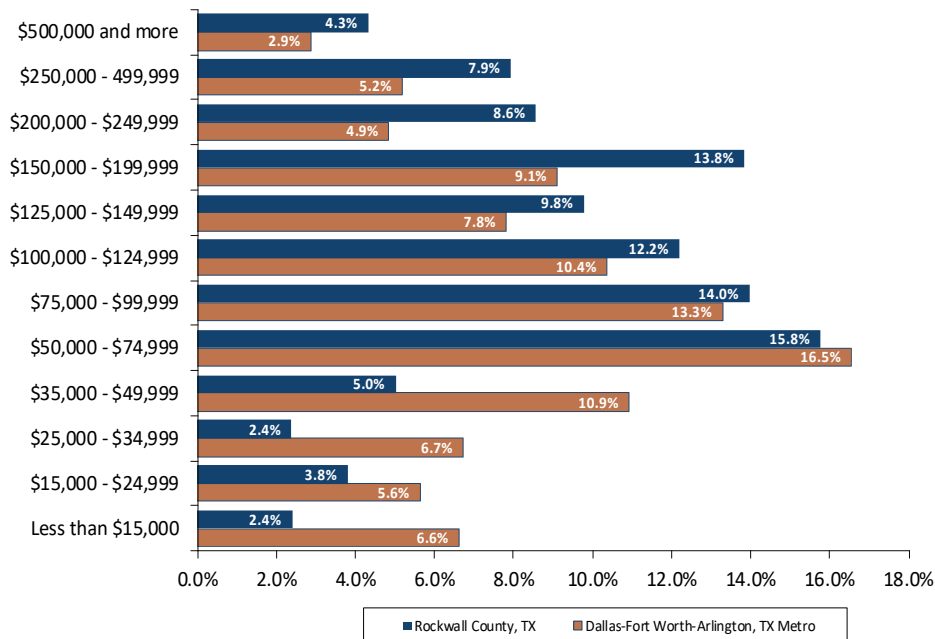
Rockwall County is more affluent than the Dallas MSA. Median household income for Rockwall County is \$113,100, which is 39.5% greater than the corresponding figure for the Dallas MSA.

Median Household Income - 2023

	Median
Rockwall County, TX	\$113,100
Dallas-Fort Worth-Arlington, TX Metro	\$81,082
Comparison of Rockwall County, TX to Dallas-Fort Worth-Arlingt	+ 39.5%
Source: Claritas	

The following chart shows the distribution of households across twelve income levels. Rockwall County has a greater concentration of households in the higher income levels than the Dallas MSA. Specifically, 71% of Rockwall County households are at the \$75,000 or greater levels in household income as compared to 54% of Dallas MSA households. A lesser concentration of households is apparent in the lower income levels, as 9% of Rockwall County households are below the \$35,000 level in household income versus 19% of Dallas MSA households.

Household Income Distribution - 2023

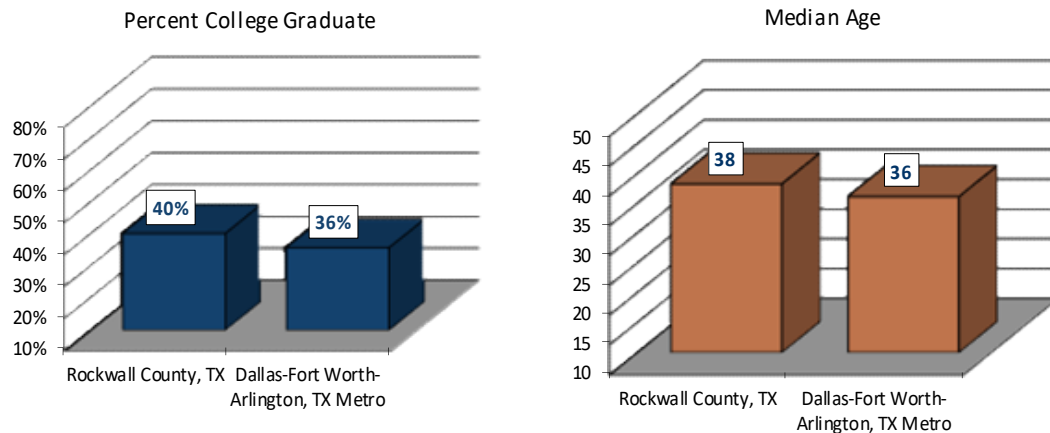


Source: Claritas

Education and Age

Residents of Rockwall County have a higher level of educational attainment than those of the Dallas MSA. An estimated 40% of Rockwall County residents are college graduates with four-year degrees, versus 36% of Dallas MSA residents. People in Rockwall County are older than their Dallas MSA counterparts. The median age for Rockwall County is 38 years, while the median age for the Dallas MSA is 36 years.

Education & Age - 2023

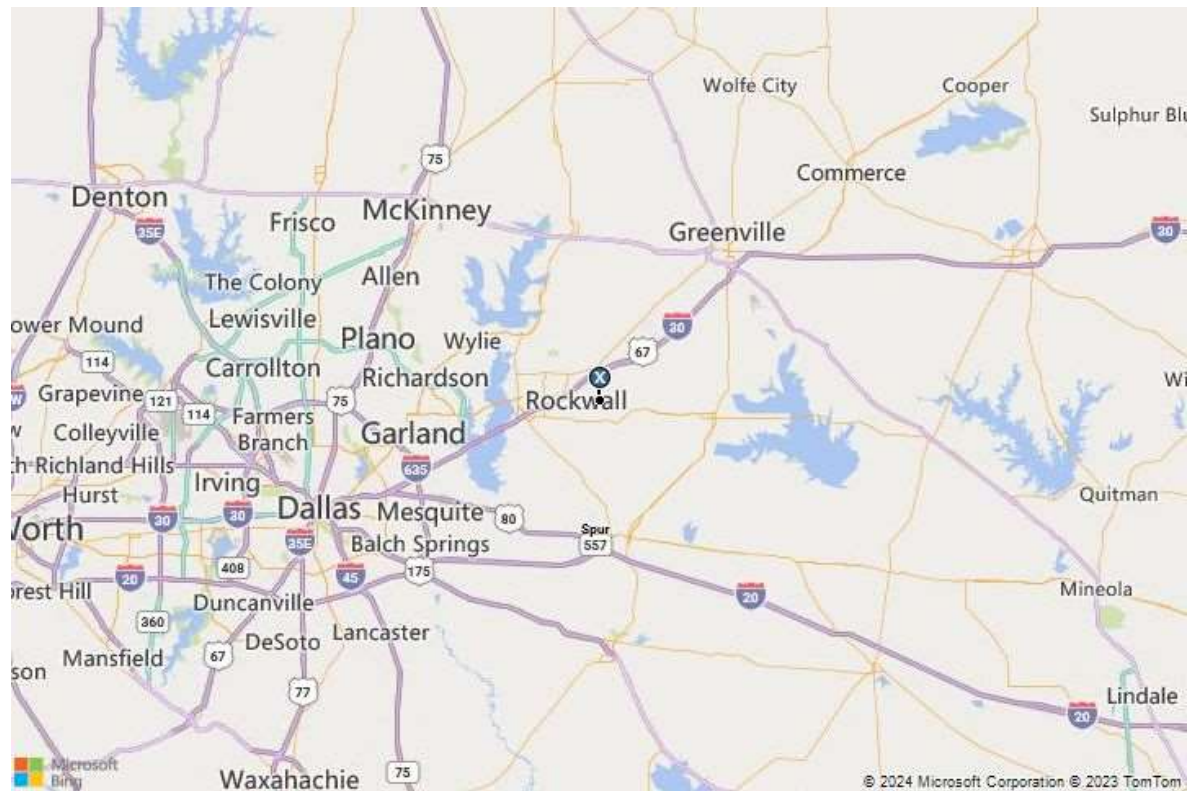


Source: Claritas

Conclusion

The Rockwall County economy will benefit from a growing population base and higher income and education levels. Rockwall County experienced growth in the number of jobs and has maintained a consistently lower unemployment rate than the Dallas MSA over the past decade. It is anticipated that the Rockwall County economy will improve, and employment will grow, strengthening the demand for real estate.

Area Map



Surrounding Area Analysis

Boundaries

The subject is located on the southwest side of Crenshaw Road, southeast of FM-548 and is south of IH-30 in Royse City, Rockwall County, Texas and is located the Waterscape PID, IA #4. The master-planned development is located within the Royse City Independent School District. This area is generally delineated as follows:

Boundaries & Delineation	
Boundaries	
Market Area	Dallas-Fort Worth, TX
Submarket	Royse City
Area Type	Suburban
Delineation	
North	Royse City Boundary Lines
South	SH-276
East	Rockwall/Hunt County Boundary Lines
West	FM-551

A map identifying the location of the property follows this section.

Access and Linkages

Access & Linkages	
Vehicular Access	
Major Highways	IH-30, FM-548
Primary Corridors	FM-548, Crenshaw Road
Vehicular Access Rating	Average
Airport(s)	
Name	Dallas/Fort Worth International Airport
Distance	52 miles
Driving Time	One hour
Primary Transportation Mode	Automobile

Demographic Factors

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					Dallas-Fort Worth-Arlington, TX
2023 Estimates	3-Mile Radius	5-Mile Radius	10-Mile Radius	Rockwall County	
Population 2020	18,966	39,822	123,180	107,819	7,637,387
Population 2023	21,673	45,835	138,188	121,073	7,933,171
Population 2028	24,540	52,374	154,307	134,243	8,329,332
Compound % Change 2020-2023	4.5%	4.8%	3.9%	3.9%	1.3%
Compound % Change 2023-2028	2.5%	2.7%	2.2%	2.1%	1.0%
Households 2020	6,066	12,534	40,630	36,326	2,760,991
Households 2023	6,920	14,334	45,500	40,790	2,867,378
Households 2028	7,815	16,298	50,737	45,217	3,013,369
Compound % Change 2020-2023	4.5%	4.6%	3.8%	3.9%	1.3%
Compound % Change 2023-2028	2.5%	2.6%	2.2%	2.1%	1.0%
Median Household Income 2023	\$93,809	\$101,316	\$103,993	\$113,100	\$81,082
Average Household Size	3.1	3.2	3.0	3.0	2.7
College Graduate %	25%	32%	34%	40%	36%
Median Age	35	35	38	38	36
Owner Occupied %	85%	87%	84%	83%	60%
Renter Occupied %	15%	13%	16%	17%	40%
Median Owner Occupied Housing Value	\$283,622	\$322,216	\$359,042	\$400,430	\$318,993
Median Year Structure Built	2005	2007	2004	2003	1990
Average Travel Time to Work in Minutes	42	41	41	39	31

Source: Claritas

As shown above, the current population within a 5-mile radius of the subject is 45,835, and the average household size is 3.2. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to Rockwall County overall, the population within a 5-mile radius is projected to grow at a faster rate.

Median household income is \$101,316, which is lower than the household income for Rockwall County. Residents within a 5-mile radius have a lower level of educational attainment than those of Rockwall County, while median owner-occupied home values are considerably lower.

Land Use

In the immediate vicinity of the subject, predominant land uses are single-family residential. Other land use characteristics are summarized as follows:

Surrounding Area Land Uses	
Character of Area	Suburban
Predominant Age of Improvements	50 years
Predominant Quality and Condition	Average
Approximate Percent Developed	35%
Infrastructure/Planning	Average



Development Activity and Trends

During the last five years, development has been predominantly of residential uses with supportive commercial and retail uses. The pace of development has generally accelerated over this time. The Royse City area is located in close proximity to the Dallas-Fort Worth metropolitan area. It is also influenced by the cities of Fate and Rockwall, Texas. As such, we have provided some recent development trends in and around the surrounding areas.

Royse City Town Center is a 130,000 square-foot, 16-acre commercial development located at the southeast corner of IH-30 and FM-2642 in Royse City approximately 35 minutes east of Dallas CBD.

Royse City Main Street district is a commercial district that runs from Elm Street to church Street in Royse City, Texas. The district's purpose is to encourage downtown revitalization while preserving historic buildings.

Zaner Robinson Historical Museum, located on Arch Street in Royse City, depicts life on the Blackland prairie from early settlers through the boom years (1920 to 1960s).

Royse City Parks – Recreational parks in Royse City include Becknell Park, Briarstone Park, City Lake Park, Cookston Court, Fox Fields, Old Jail Park, Old Mill Park, Splash Park, and Walker Hawk Sports Complex.

Stone River Golf Club – A family owned and operated 18-hole golf course. The facility offers a practice range, golf lessons, summer camps, tournaments, and special events as well as an onside bar and grill.

Royse City ISD encompasses 74.48 square miles with a tri-county boundary of Rockwall, Collin, and Hunt Counties. All campuses in the district are accredited by the Texas Education Agency. The high school offers advanced placement classes along with dual credit courses. The district also offers an alternative learning center for at-risk students through the Royse City Academy. There are six elementary schools, two intermediate schools, one middle school, and one high school with a current total enrollment of 7,629 students.

Walmart Supercenter constructed a 150,000± square-foot store located at the northwest corner of IH-30 and Erby Campbell Boulevard in Royse City.

Waterscape is a 310.20-acre master-planned subdivision located in Royse City, Texas. A total of 1,128 lots have been completed. Home prices currently range from approximately \$305,000 to \$600,000. An elaborate amenity center is located within the development. The property is located within the "Waterscape Public Improvement District" and is within the Royse City ISD.

Verandah is a 547-acre, master-planned residential development located at the northeast corner of IH-30 and FM-2642. Approximately 2,987 homes are eventually planned with 1,650 single-family lots developed to date. Current home prices are ranging from \$265,000 to \$450,000. The master-planned community features an amenity center with a pool and a water spray park and playground, as well as picnic areas, soccer half-field, basketball half-court, pocket parks, and hike/bike trails. A pond with water features is located at each of the two entrances to the development. The development is located within the Royse City ISD.

Heath Golf & Yacht Club is a master-planned golf/lake resort community located in Heath, Texas by Lake Ray Hubbard. Amenities in the development include an 18-hole championship golf course designed by Roy Bechtol, a 14,000 square-foot club house with dining and pro shop, a luxury pool with food and drink service, three tennis courts, volleyball, a state-of-the-art fitness center and 12 community guest boat slips. Miles of jogging and walking trails are throughout the community from the entrance to the shores of Lake Ray Hubbard. Students attend the Rockwall – Heath High School and Cain Middle School. The newly opened Linda Lyon Elementary School is located adjacent to the community within walking distance.

Rockwall Technology Park is a 550-acre high-tech business park located at Discovery Boulevard in Rockwall, Texas. Chewters Chocolates are developing an 189,000 square-foot facility on 10.6 acres in Phase II of the development. Interstate Wire Company built a 243,000 square-foot facility on 11 acres in Phase I. Other major companies that are a part of the park include Bimbo Bakeries USA, Karat by Lollocup/Atosa USA, and Pratt Industries.

The Harbor Project is a \$75 million-dollar project in the City of Rockwall. This development is a public and private joint venture of the City of Rockwall and Whittle Development. Located along the eastern shoreline of Lake Ray Hubbard, south of IH-30, this project was developed with a 12-screen cinema, a 181-room upscale, full-service hotel and civic center, retail, restaurants, and office. Additionally, the City of Rockwall constructed public boardwalks, fountains, plazas, and pedestrian walkways.

Lake Ray Hubbard is located within Collin, Dallas, Rockwall, and Kaufman counties, abutting the west side of the City of Rockwall and the east side of the City of Rowlett, on the East Fork of the Trinity River. The lake is 22,745 acres in size, with a maximum depth of 40 feet. Lake Ray Hubbard is one of the older lakes in the Dallas area. Like most Texas lakes, it is man-made. The lake is actually owned by the City of Dallas, but the City of Dallas has no land bordering the lake. The water gets murky after a larger rainfall and the water level can get low at certain times of the year, yet the lake reportedly never floods.

Texas Health Hospital Rockwall (formerly known as Presbyterian Hospital of Rockwall) is located on the west side of Horizon Road, south of Ridge Road and is a 125,000 square-foot hospital located in the heart of Rockwall. The hospital was developed with 60 inpatient beds and offers advanced medical technology and comprehensive services for acute medical and surgical needs. The hospital offers a Women's Imaging and Breast Center, a bariatric clinic, an ambulatory surgery center, and a variety of physician practices. The hospital is currently expanding to double their size to include a Level 1 Neonatal Intensive Care Unit, a Cardiac Cath Lab, an Interventional Radiology suite, a second surgical robot, additional surgery suites, and an expanded emergency department. The project also includes the construction of numerous inpatient rooms and enhancements in ancillary service areas.

The Plaza at Rockwall, located at the southwest quadrant of IH-30 and SH-205, is a 50-acre, 475,000 square-foot retail development includes 56 stores including JC Penney, Belk, Best Buy, Ulta, Staples, Dick's Sporting Goods, Home Goods, Jo-Ann Fabrics, Shoe Carnival, Versona, and Olive Garden.

Rockwall Commons is a mixed-use project with Class A office, retail, and restaurant space, as well as a significant residential component. Rockwall Commons, a project of T.F. Stone Companies, Inc., is located on the east side of Ridge Road north of IH-30. The mixed-use project is the first of its kind in the growing Rockwall market. In addition to views of Lake Ray Hubbard, the project offers Rockwall's first underground parking garage. Rockwall Commons incorporates 30,000 square feet of office space, 14,000 square feet of retail and restaurant space, and 202 residential units. The project features a number of water features, pools, garden and sitting areas, an amphitheater, a jogging track around the entire development, and on-site management.

The area between IH-30 and IH-20, east of the DFW metroplex, has experienced rapid residential growth. Area developments have included subdivisions in Municipal Utility Districts, small ranchettes and large ranches. Development growth is expected to increase once the following proposed highways are in place including the expansion of FM-205 in Rockwall that feeds into SH-276, the future SH-205 Loop around Rockwall that will intersect with SH-276, and the future Rockwall County Loop that will intersect with SH-276. The SH-190 (President George Bush Tollway) was extended from Garland to IH-30. These roadways promote future growth east of Rockwall as residents in Rockwall County, Kaufman County, and Hunt County now have better access to employment centers in North Dallas and the surrounding areas.

President George Bush Turnpike Extension Update - The President George Bush Turnpike Eastern Extension is a 9.9-mile segment from SH-78 in Garland, east to IH-30. The six-lane toll road opened December 21, 2011, and passes through the cities of Garland, Sachse, and Rowlett and includes a one-mile bridge over Dallas' Lake Ray Hubbard.

Collin County Outer Loop - In its current state the Outer Loop runs 4.6 miles from US-75 in Anna to SH-121 just northeast of Melissa. This section was built at a cost of \$21 million. This section of road runs as a bi-directional two-lane road, which will eventually be the north frontage road. The Outer Loop is planned to run for approximately 50 miles from the future northern extension of the Dallas North Tollway in Celina to IH-30 near Royse City. The loop will be built in five segments (including **Segment 1** which is already open).

Segment 1 is the section of road already opened, running from US-75 to SH-121. This section will eventually become the north frontage road as tolled main lanes are added.

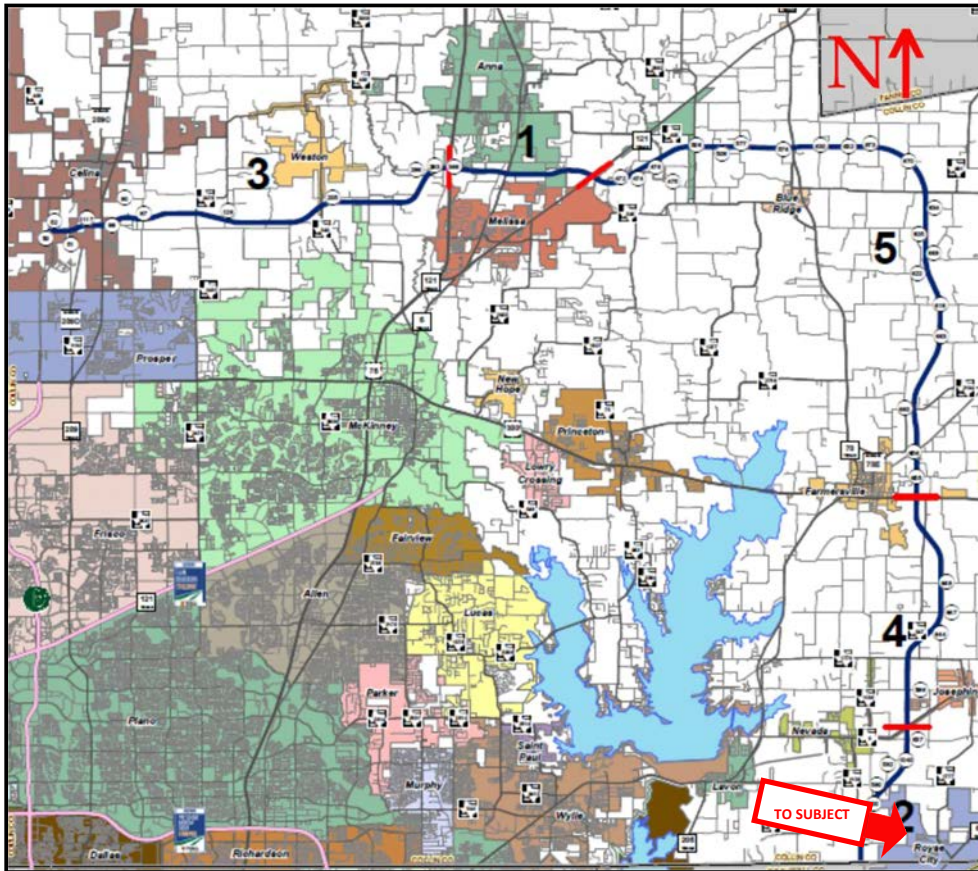
Segment 2 will run from FM-6, between Nevada and Josephine, to the Rockwall County line near Royse City. This segment could possibly be extended further south past IH-30 through Rockwall, Kaufman, and Dallas counties as part of a much larger outer loop.

Segment 3 will run past US-75 to the future north extension of the Dallas North Tollway in Celina. This section will run through extreme north McKinney, close to Weston and cross SH-289 (Preston Road) before ending at the Dallas North Tollway. This section could possibly be extended further west through Denton County as part of a larger outer loop.

Segment 4 will run from US-380 near Farmersville to FM-6 between Nevada and Josephine.

Segment 5 will connect Segments 1 and 4, running through sparsely populated areas of the county.

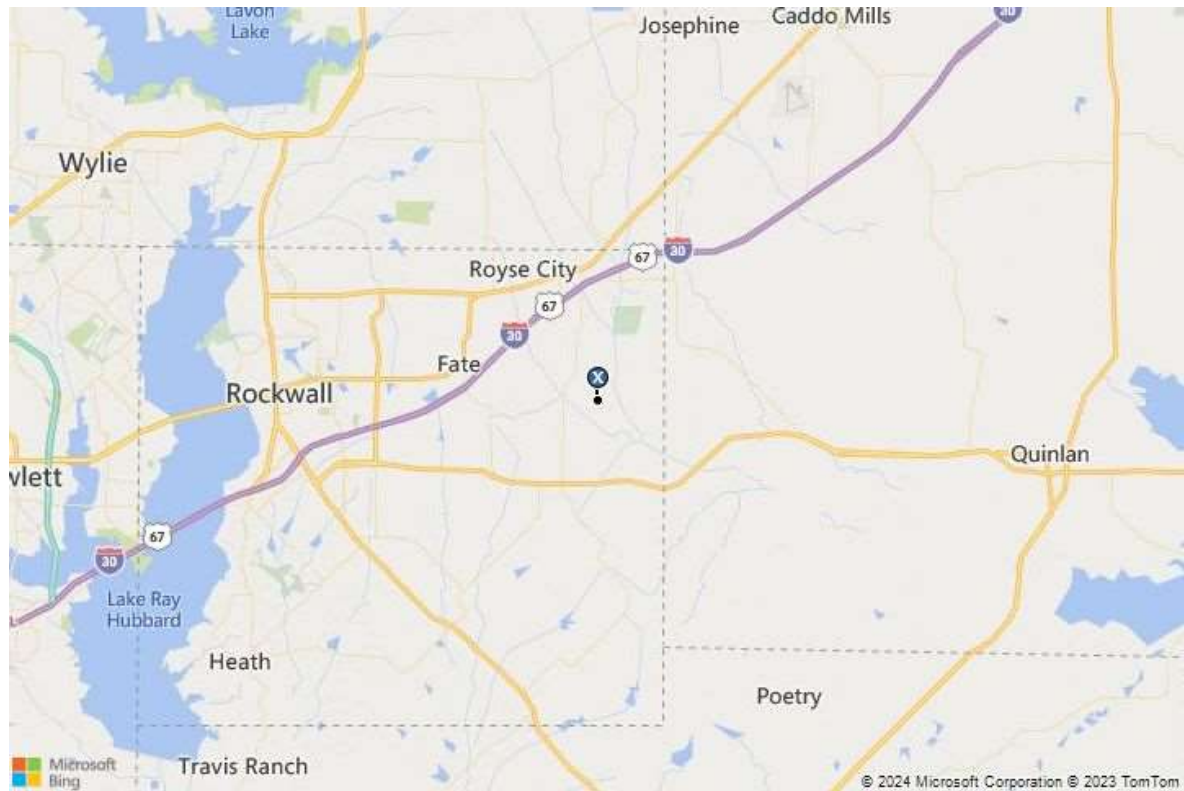
The Rockwall area will be accessed from **Segment No. 2** and shown in the following exhibit:



Outlook and Conclusions

The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will increase in the near future.

Surrounding Area Map

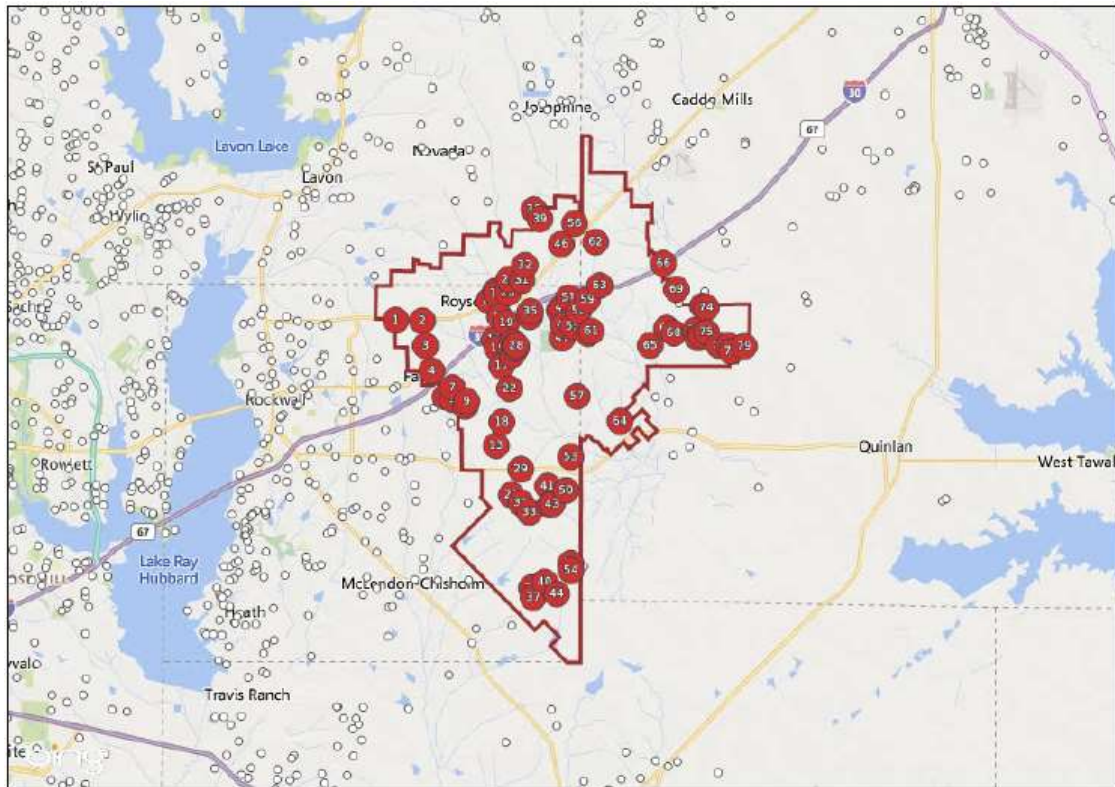


Residential Analysis

When analyzing the financially feasible and maximally productive use of the site, all of the uses that are both physically possible and legally permissible must be considered. For the subject, the primary potential use is considered to be single-family residential development. As mentioned, the subject is under construction with single-family lots. Thus, an important factor affecting development of the subject is the surrounding land usage. The neighborhood is predominantly vacant land that is being developed into single-family residential uses. The immediate area surrounding the subject is residential in nature.

During the past decade, the residential real estate market has seen many positive changes. With the steady increase in multifamily residential rental rates, coupled with the low interest rates and the large numbers pertaining to job growth, there has been a trend of individuals choosing to purchase homes rather than to rent apartments and multifamily housing. Furthermore, with the decline in the availability of vacant developable land, population growth has quickly expanded into the suburban areas of the Dallas/Fort Worth area. As such, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Metrostudy/Zonda, a nationally recognized information provider, as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends. Inasmuch as we are forecasting an economy for this area that is at least equal to recent trends, using these historical trends is felt to be quite justifiable. The subject development is physically located within the city of Royse City in Rockwall County and is within the Royse City Independent School District. Therefore, data obtained from Metrostudy/Zonda as of Fourth Quarter 2023 for the defined area of "Royse City ISD", as shown in the following map, will be analyzed with a summary of the details following.

Defined Submarket Map Area – Royse City ISD

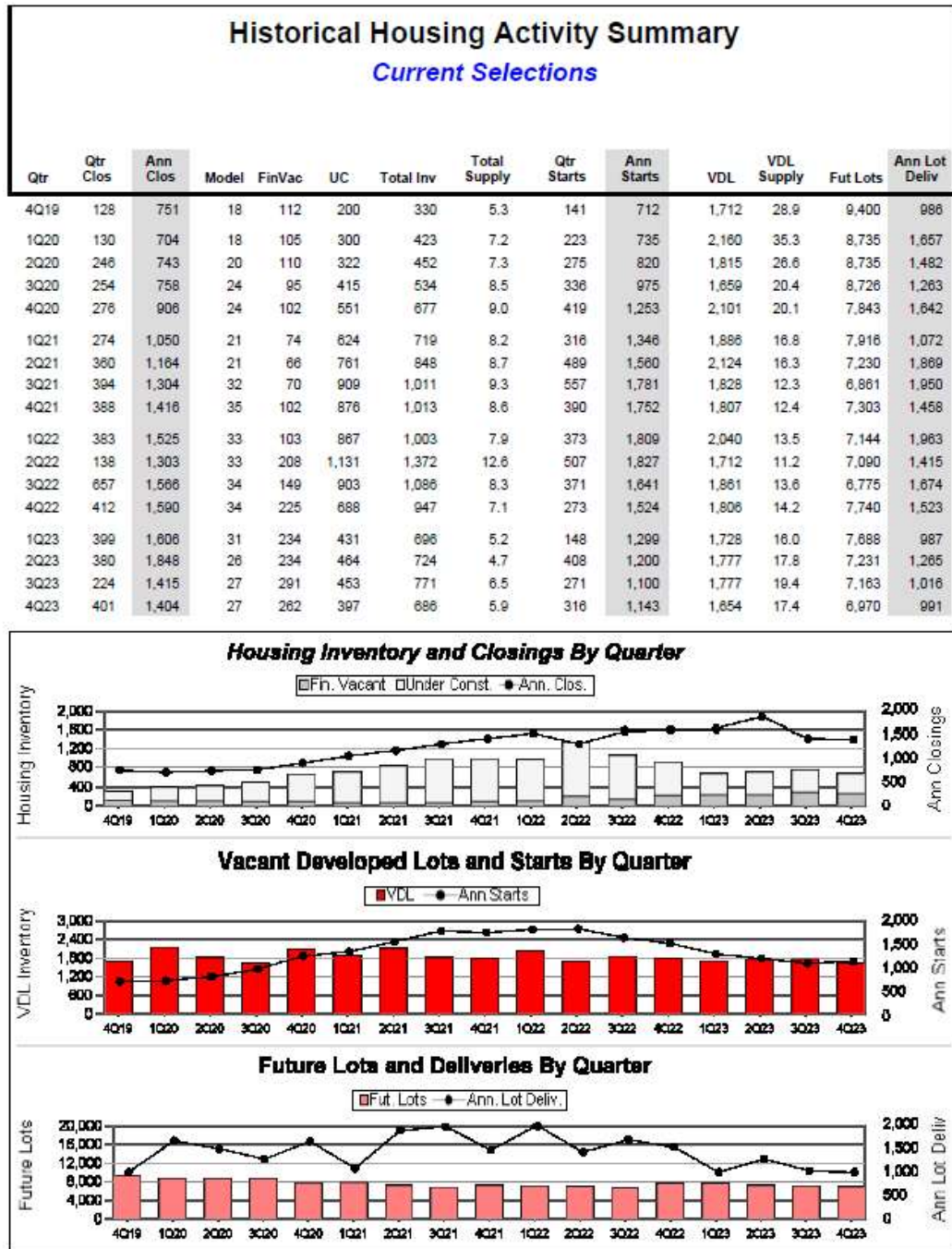


TX | Rockwall Co. (4Q23)
Copyright Metrostudy

metrostudy
Sales: 1-800-227-8839 A Westwood Company

Following is a chart provided by Metrostudy/Zonda summarizing the historical home/lot absorption from the past several years for the defined submarket area:

Historical Housing Chart – Royse City ISD



Dallas/Ft. Worth Residential Survey (4Q23)
Copyright Metrostudy

Zonda™

Defined Submarket Area

As shown in the chart on the previous page, the absorption of homes/lots within the submarket area increased dramatically from 2019 to 2021 but has been steadily decreasing the past two years. According to Metrostudy/Zonda, the submarket area absorbed the following total homes/lots from 2019 to Fourth Quarter 2023:

MetroStudy Analysis	Historical Absorption	
	Annual	
Year 1 (2019)	712	
Year 2 (2020)	1,253	
Year 3 (2021)	1,752	
Year 4 (2022)	1,524	
Year 5 (2023)	1,143	
Historical Annual Average	1,277	
Existing VDL	1,654	
Historical Absorption Average	1,277	
Past 12 Months	1,143	
Lot Supply (5.0± Year Historical)	1.3	Years Supply
Lot Supply (12 Months)	1.4	Years Supply

As can be seen, since 2019 (5.0 years), the annual average of homes/lots absorbed was 1,277 homes/lots. Utilizing the more recent 12-month absorption of homes/lots, the number of homes/lots absorbed slightly decreases to 1,143 homes/lots in the submarket. According to Metrostudy/Zonda, the existing supply of available housing is currently below ideal levels in the submarket. Even with decreasing absorption, the submarket has seen a large drop in available lot product decreasing from a high of 2,160 lots in First Quarter 2020 to the current level of 1,654 lots in Fourth Quarter 2023.

Based upon the Metrostudy/Zonda absorption figures of the past 5.0 years, there is currently only a 1.3±-year (1,654 lots ÷ 1,277 lots = 1.3±-years) total supply of existing lots available in the submarket. This total supply is considered to be significantly below the optimum lot supply levels of 2.0 to 2.5 years per Metrostudy/Zonda. Also, when utilizing the more current 12-month absorption of 1,143 home/lots, the total supply of existing lots available in the subject's defined submarket remains low at only 1.4±-years (1,654 lots ÷ 1,143 lots/year = 1.4±-years), which is also well below the low end of optimum lot supply levels in the submarket.

Thus, the total lot supply within the subject's submarket is estimated to be between 1.3±-years to 1.4± years. Currently, this total lot supply is considered to be well below the optimum supply levels. Also, taking into consideration that new developments require a typical nine to 12-month construction period, with increasing demand and dwindling lot supply, it appears that additional lot product in the submarket is feasible at the current time.

We will now narrow our residential analysis to the absorption history of specific competing subdivisions in the subject's market area with similar lot features and amenities relative to the subject to determine the projected absorption and feasibility of the subject's lots as follows.

Subject Market Area

The similarities considered to be most important are lot size, home price range, and amenity features. The tables that follow detail the active subdivisions that are considered to compete with the subject's lots. Our analysis will be presented beginning with the 40' frontage lots followed by the 50' frontage lots. All data is per Metrostudy/Zonda as of Fourth Quarter 2023.

Competitive Supply – 40' Frontage Lots

The competitive supply presented recognizes residential developments which are located in the subject's immediate and surrounding vicinity. The lot sizes, home prices, and amenities in the subdivisions shown are generally similar relative to the subject's 40' frontage lots. Thus, the competing residential developments are considered to be the immediate competition for the subject's lots and are believed to accurately reflect the potential absorption levels for the subject's lots at this time.

Competitive Supply		40' Frontage Lots			
Subdivisions	School District	Home Prices (000's)	Available Lots	Typical Lot Dimensions	Typical Lot SF
<u>Ambergrove at Whiteside Village</u> Royse City, Texas	Royse City	\$307-\$414	97	45' x 115'	5,175
<u>Creekshaw</u> Royse City, Texas	Royse City	\$336-\$449	6	40' x 120'	4,800
<u>Creekside</u> Royse City, Texas	Royse City	\$305-\$508	164	40' x 110'	4,400
<u>Waterscape*</u> Royse City, Texas	Royse City	\$305-\$500	15	40' x 110'	4,400
<u>Wildwood</u> Royse City, Texas	Royse City	\$255-\$334	25	40' x 120'	4,800
Total			307		
*Subject's subdivision					
Subject: Waterscape PID, IA #4 (Ph. 3B)	Royse City ISD			40' x 120'	4,800
Source: Metrostudy as of Fourth Quarter 2023					

Having addressed the immediate competition, we will estimate the approximate absorption time frame for the subject by analyzing absorption trends of the previously shown developments.

Absorption Analysis – 40' Frontage Lots

The following table outlines the monthly absorption of the residential developments listed in the competitive supply. It should be noted that all data is as of Fourth Quarter 2023.

Monthly Absorption Performance		40' Frontage Lots			
Subdivisions	Available Lots	Building Starts	No. Months	Units/Month	Months Supply
Ambergrove at Whiteside Village	97	53	9	5.9	16.5
Creekshaw	6	73	18	4.1	1.5
Creekside	164	58	12	4.8	33.9
Waterscape*	15	66	9	7.3	2.0
Wildwood	25	80	6	13.3	1.9
Totals/Averages	307	330		35.4	8.7
Average Units/Month				7.1	
*Subject's subdivision					
Subject: Waterscape PID, IA #4 (Ph. 3B)					
Source: Metrostudy as of Fourth Quarter 2023					

Based upon the number of available lots and average absorption per month, the 307 lots remaining within these residential developments indicates only a 8.7±-month supply (0.7± years). This appears to be representative of a significant under-supply of lots within the subject's projected price/lot size range.

Overall, the competing residential developments indicate an absorption range of 4.1 units to 13.3 units per month, with an overall average of 7.1 units per month. To summarize, it is important to note the following facts:

- Three of the five residential developments presented (Creekshaw, Waterscape, and Wildwood) are projected to be sold out within 2.0± months. Thus, it is reasonable that the subject, upon completion, may capture a portion of the demand that these projects currently enjoy.
- The subject's competitive supply is significantly under-supplied with only a 8.7± month-supply of developed lots.
- The subject's subdivision is absorbing near the upper end of the absorption range of four of the five comparable subdivisions (7.3 upm).
- At the effective date of this appraisal, all of the subject's 40' lots are under contract to two volume homebuilders (HMH Lifestyles, LP and Highland Homes – Dallas, LLC). The 40' lots are part of the lot contracts summarized as follows:

Lot Contract Summary

Home Builder	Total Lots	Base Price Lots		Premium Price Lots		Price/FF	Total Absorption
		Total Base Lots	Base Price	Total Premium lots	Lot Price w/Premium		
HMH Lifestyles, L.P.	64						In bulk
40' x 120'		22	\$66,000	5	\$71,000	\$1,650-\$1,838	
				2	\$73,500		
50' x 120'		26	\$80,000	7	\$85,000	\$1,600-\$1,800	
				2	\$90,000		
Highland Homes - Dallas, LLC	64						In bulk
40' x 120'		21	\$66,000	8	\$71,000	\$1,650-\$1,775	
50' x 120'		25	\$80,000	10	\$85,000	\$1,600-\$1,700	
Saint Vincent Homes*	20						
50' x 120'		20	\$80,000			\$1,600	In bulk
Totals	148	114		34			

*Being negotiated

All lots are contracted with a \$1,250/lot amenity fee, a \$500/lot marketing fee, a \$900/lot natural gas fee, and a \$350/lot cluster mailbox fee.

- The overall lot supply within the defined submarket (Royse City ISD) is estimated to range from 1.3± to 1.4± years which is well below equilibrium lot supply levels of 2.0 – 2.5 years.

Absorption Projection – 40'

The preceding data supports a projected absorption for the subject's lots with 40' frontages at 7.0 units per month which is supported by the overall average of the competitive supply (7.1 upm). As such, our absorption projection is considered reasonable based upon the lot supply and demand levels within the subject's submarket area for 40' frontage lots.

Competitive Supply – 50' Frontage Lots

The competitive supply presented below recognizes residential developments which are located in the subject's immediate and surrounding vicinity. The lot sizes, home prices, and amenities in the subdivisions shown are generally similar relative to the subject's 50' frontage lots. Thus, the competing residential developments are considered to be the immediate competition for the subject's lots and are believed to accurately reflect the potential absorption levels for the subject's lots at this time.

Competitive Supply		50' Frontage Lots			
Subdivisions	School District	Home Prices (000's)	Available Lots	Typical Lot Dimensions	Typical Lot SF
<u>Creekshaw</u> Royse City, Texas	Royse City	\$350-\$450	15	50' x 120'	6,000
<u>Creekside</u> Royse City, Texas	Royse City	\$300-\$508	71	50' x 110'	5,500
<u>Waterscape*</u> Royse City, Texas	Royse City	\$290-\$550	61	50' x 120'	6,000
<u>Wildwood</u> Royse City, Texas	Royse City	\$255-\$334	38	50' x 120'	6,000
<u>DeBerry Reserve</u> Royse City, Texas	Royse City	\$325-\$432	68	50' x 120'	6,000
<u>Verandah</u> Royse City, Texas	Royse City	\$350-\$450	198	50' x 120'	6,000
<u>Woodcreek</u> Fate, Texas	Royse City	\$300-\$4715	38	50'/55' x 110	5,500 - 6,050
Total			489		
*Subject's subdivision					
Subject: Waterscape PID, IA #4 (Ph. 3B)		Royse City ISD		50' x 120'	6,000
Source: Metrostudy as of Fourth Quarter 2023					

Having addressed the immediate competition, we will estimate the approximate absorption time frame for the subject by analyzing absorption trends of the previously shown developments.

Absorption Analysis – 50' Frontage Lots

The following table outlines the monthly absorption of the residential developments listed in the competitive supply. It should be noted that all data is as of Fourth Quarter 2023.

Monthly Absorption Performance		50' Frontage Lots			
Subdivisions	Available Lots	Building Starts	No. Months	Units/Month	Months Supply
<u>Creekshaw</u>	15	71	12	5.9	2.5
<u>Creekside</u>	71	51	12	4.3	16.7
<u>Waterscape*</u>	61	64	9	7.1	8.6
<u>Wildwood</u>	38	70	6	11.7	3.3
<u>DeBerry Reserve</u>	68	101	18	5.6	12.1
<u>Verandah</u>	198	267	15	17.8	11.1
<u>Woodcreek</u>	38	137	12	11.4	3.3
Totals/Averages	489	761		63.8	7.7
Average Units/Month				9.1	
*Subject's subdivision					
Subject: Waterscape PID, IA #4 (Ph. 3B)					
Source: Metrostudy as of Fourth Quarter 2023					

Based upon the number of available lots and average absorption per month, the 489 lots remaining within these residential developments indicates only a 7.7±-month supply (0.6± years). This appears to be representative of a significant under-supply of lots within the subject's projected price/lot size range.

Overall, the competing residential developments indicate an absorption range of 4.3 units to 17.8 units per month, with an overall average of 9.1 units per month. To summarize, it is important to note the following facts:

- Four of the seven residential developments presented (Creekshaw, Waterscape, Wildwood, and Woodcreek) are projected to be sold out within 8.6± months. Thus, it is reasonable that the subject, upon completion, may capture a portion of the demand that these projects currently enjoy.
- The subject's competitive supply is significantly under-supplied with only a 7.7± month-supply of developed lots.
- At the effective date of this appraisal, all but 20 of the subject's 50' lots are under contract to two volume homebuilders (HMH Lifestyles, LP and Highland Homes – Dallas, LLC). The 50' lots are part of the lot contracts summarized as follows:

Lot Contract Summary						
Home Builder	Total Lots	Base Price Lots		Premium Price Lots		Total Absorption
		Total Base Lots	Base Price	Total Premium lots	Lot Price w/Premium	
HMH Lifestyles, L.P.	64					In bulk
40' x 120'		22	\$66,000	5	\$71,000	\$1,650-\$1,838
				2	\$73,500	
50' x 120'		26	\$80,000	7	\$85,000	\$1,600-\$1,800
				2	\$90,000	
Highland Homes - Dallas, LLC	64					In bulk
40' x 120'		21	\$66,000	8	\$71,000	\$1,650-\$1,775
50' x 120'		25	\$80,000	10	\$85,000	\$1,600-\$1,700
Saint Vincent Homes*	20					
50' x 120'		20	\$80,000			\$1,600 In bulk
Totals	148	114		34		

*Being negotiated

All lots are contracted with a \$1,250/lot amenity fee, a \$500/lot marketing fee, a \$900/lot natural gas fee, and a \$350/lot cluster mailbox fee.

- The overall lot supply within the defined submarket (Royse City ISD) is estimated to range from 1.3± to 1.4± years which is well below equilibrium lot supply levels of 2.0 – 2.5 years.

Absorption Projection – 50'

Thus, the preceding data supports a projected absorption for the subject's lots with 50' frontages at 9.0 units per month which is supported by the overall average of the competitive supply (9.1 upm). As such, our absorption projection is considered reasonable based upon the lot supply and demand levels within the subject's submarket area for 50' frontage lots.

Overall Absorption Summary Projection

Our monthly absorption projections are summarized as follows for the subject:

Projected Absorption Summary											Total Aborp. Period	
Lot Type	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Lots	(Months±)
40' Lots	7	7	7	7	7	7	7	7	2	0	58	8.3
50' Lots	9	9	9	9	9	9	9	9	9	9	90	10.0
Totals	16	16	16	16	16	16	16	16	11	9	148	

As shown, the overall absorption for the subject's 148 lots is estimated to be 8.3± months (40' lots) and 10.0± months (50' lots).

Federal Reserve Rate Increases Impact on Current Valuations

Transaction indicators are the best measure of any impact on values due to the recent Federal Reserve increases. Since the beginning of the rate increase in mid-year 2022, many transactions were tabled, and market data has been scarce. Since that time period, price discovery has occurred in many markets across different property types and transactions are getting done. However, market instability remains a factor on various levels. Based on discussions and interviews with a wide range of market participants including brokers, lenders, asset managers, owners, property managers and others, a variety of concerns, and opportunities, are apparent.

Interest Rates

In 2016, the Federal Reserve began slowly raising rates as the economy recovered. Subsequently, the Federal Reserve fed funds rate steadily rose from 0.25% - 0.50% to 2.25% - 2.50% between December 2016 and December 2018. During 2019, inflation was well below the central bank's 2% target, and in response, the rate was lowered three times from 2.0%-2.50% to 1.50%-1.75%. In January 2020, the Federal Open Market Committee (FOMC) released a policy statement in January 2020 indicating that the labor market remains strong, and that economic activity has been rising at a moderate rate. Within weeks, the Covid-19 pandemic spread across the globe and in March of 2020 the target range dropped back to 0.0% to 0.25%. However, with the COVID-19 pandemic basically over, employment rate sub 4.0% nationally and inflation at 40-year highs, the Federal reserve began rapidly increasing the fed funds rate steadily from 0.25% - 0.50% in March of 2022 to 4.25% - 4.50% as of December 2022 pushing borrowing costs to the highest level since 2007. In addition, no FOMC participants anticipated that it would be appropriate to begin reducing the federal funds rate target in 2023. At their July 25-26 meeting, FOMC issued a statement that "Recent indicators suggest that economic activity has been expanding at a moderate pace. Job gains have been robust in recent months, and the unemployment rate has remained low. Inflation remains elevated. The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to raise the target range for the federal funds rate to 5-1/4 to 5-1/2 percent."

Macro-Economic Impacts

Not surprisingly, the markets have reacted accordingly. The markets experienced a notable change in 2022, as the economic environment was altered due to a significant increase in interest rates and a continuing increase in the inflation rate. While this had a clear impact on fixed-income investments, stocks were not immune to the effects of the changing environment. Major "repricing" took place in the stock market, and the Standard & Poor's 500 stock index, moved into a bear market, with a decline of 20% from its peak value, as did other major market indices.

As interest rates remain high, personal savers can benefit from elevated earnings on their balances. But the most recent rate hike means that borrowers will continue to see higher interest rates too, on mortgages, credit card debt, and personal loans. Higher prices combined with high-priced debts have consumers and experts still concerned about the future of the job market and the recession possibilities.

Real gross domestic product (GDP) increased at an annual rate of 2.4 percent in the second quarter of 2023, according to the "advance" estimate. In the first quarter, real GDP increased 2.0 percent. The increase in the second quarter primarily reflected increases in consumer spending and business investment that were partly offset by a decrease in exports. Imports, which are a subtraction in the calculation of GDP, decreased. Compared to the first quarter, the acceleration in GDP in the second quarter primarily reflected an upturn in private inventory investment and an acceleration in nonresidential fixed investment. These movements were partly offset by a downturn in exports, and decelerations in consumer spending, federal government spending, and state and local government spending. Imports decreased \$80.1 billion or 4.0 percent.

Per the latest estimate the GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the third quarter of 2023 is 5.1 percent on October 10, up from 4.9 percent on October 5. After last week's employment situation release from the US Bureau of Labor Statistics and this morning's wholesale trade report from the US Census Bureau, the nowcasts of third quarter real gross private domestic investment growth and third-quarter real government spending growth increased from 5.9 percent and 2.2 percent, respectively, to 6.7 percent and 3.0 percent.

Rates of Return and Valuation Methodology

Offsetting the increased risk due to uncertainty in the property markets is the Federal Reserve's monetary policy of increasing rates down to get a grip on inflation and cooling down the economy. While many financial institutions have raised their loan to value ratios as a risk management tool, the cost of borrowing is at recent historic highs. The result is downward pressure on rates of return where leverage is attainable. As transactions continue to occur, the overall impact on rates of return, by property type and location, is becoming apparent.

Some market participants believe the impact on market value is reflected in capitalization rates while others believe rates are not moving. Instead, the value impact is limited to cash flow loss plus profit until re-stabilization occurs. Once again, the answers vary by property type and location.

The valuation herein reflects our analysis of current market data.

Market Sentiment/Participant Interviews

In addition to transaction data, which is slowly materializing, we look to market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. Following is a summary of key interviews undertaken:

MarketParticipantSurvey

	Respondent	Commentary
Date of Survey	Fourth Quarter 2023	
Name	Mr. Ben Caballero	The outlook for the DFW and statewide homebuilding markets is promising. The strength I'm seeing in new home production and sales this fall indicates that 2024 looks strong for Texas homebuilders.
Role/Title	Founder/CEO	
Company	HomesUSA.Com	
Date of Survey	Fourth Quarter 2023	
Name	Mr. Tom Cawthon	There are just so many folks that are locked in on their low interest rate mortgages from a couple of years ago, call it the pandemic era, that unless they just have to move, they're not going to move because rates have appreciated so much," Honestly, it's really been a boon to builders such as ourselves. Because we have inventory, we're able to partner with our lender partner and offer forward commitments and closing cost assistance and so forth, so it's really helped volume builders quite a bit."
Role/Title	Dallas Division President	
Company	Taylor Morison Homes	
Date of Survey	Third Quarter 2023	
Name	Mr. Tripp Davenport, III	Activity has surprisingly picked up. Despite rate increases, once stabilization occurred, both developers and builders appear to be moving forward on existing and new projects.
Role/Title	Investment Banker/Director	
Company	FMSbonds, Inc.	
Date of Survey	Third Quarter 2023	
Name	Mr. Don Dykstra	Sales are strong and we have been actively acquiring lots and land.
Role/Title	Developer/CEO	
Company	Bloomfield Properties, Inc.	
Date of Survey	Fourth Quarter 2023	
Name	Bill Ackman	Thinks the Fed might start cutting rates as early as Q1 of 2024
Role/Title	CEO	
Company	Pershing Square Capital Management	
Date of Survey	Third Quarter 2023	
Name	Mr. Pfil Hunt	We saw minor slowdown when mortgage rates first spiked in Fall 2022 when we had 8 or 9 developers in Florida and Texas ask us to slow down special district creation or financing. However, by the 3rd week of January 2023, every one of them said take the brakes off and let's go. Since then, we have continued to see very steady volume with no slowdown. The developer and homebuilder clients continue to have steady demand for pods, finished lots, and houses.
Role/Title	Owner/Partner	
Company	Wrathell Hunt & Associates	

Conclusion

Considering the subject's relative sensitivity to inherent risks as of the effective date of the valuation, the following valuation considerations were developed:

Valuation Approach Implications		Comment
Sales Comparison Approach		
Market conditions adjustment?	Yes	An annual market conditions adjustment of 6% was applied to the lot sales.
Transaction evidence?	Yes	
Marketing Time		
Has marketing time been adjusted?	Yes	Increase of three months from 6 – 9 months to 9 – 12 months

Property Analysis

Land Description and Analysis

Location

The subject is located on the southwest side of Crenshaw Road, southeast of FM-548 and is south of IH-30 in Royse City, Rockwall County, Texas and is located the Waterscape Public Improvement District. The master-planned development is located within the Royse City Independent School District.

Land Area

The following table summarizes the subject's land and lot areas.

Land Area Summary		
	SF	Acres
As Undeveloped Land	1,344,697	30.87
Source: Engineering Report		

Land Area Summary		
Premise	SF	Acres
40' Frontage Lots	4,800	0.110
50' Frontage Lots	6,000	0.138
Source: Engineering Report		

Shape and Dimensions

The overall site is slightly irregular in shape with site utility based on shape and dimensions considered to be average.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table indicates applicable flood hazard information for the subject property, as determined by review of available flood maps obtained from the Federal Emergency Management Agency (FEMA).

Flood Hazard Status	
Community Panel Number	48397C0065L
Date	September 26, 200
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Environmental Hazards

An environmental assessment report was not provided for review, and during the inspection, no obvious signs of contamination on or near the subject were observed. However, environmental issues are beyond the scope of expertise of the assignment participants. It is assumed the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for review. Based on the viewing of the subject and development on nearby sites, there are no apparent ground stability problems. However, soils analyses are beyond the scope of expertise of the assignment participants. It is assumed the subject's soil bearing capacity is sufficient to support a variety of uses, including those permitted by zoning.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage	
Street	Crenshaw Road
Frontage Feet (±)	1,395
Paving	Concrete
Curbs	Yes
Sidewalks	Yes
Lanes	2 way, 1 lane each way
Direction of Traffic	Northwest/Southeast
Condition	Good
Traffic Levels	Low
Signals/Traffic Control	None
Access/Curb Cuts	Yes
Visibility	Average

Utilities

Utilities available to the subject are summarized below.

Utilities	
Service	Provider
Water	City of Royse City, Texas
Sewer	City of Royse City, Texas

Zoning

The subject is within the Planned Development zone, which is intended to allow for single-family residential use according to the approved concept plan for the Waterscape development. The following table summarizes the applicable zoning requirements affecting the subject.

Zoning Summary	
Zoning Jurisdiction	City of Royse City, Texas
Zoning Designation	PD
Description	Planned Development
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Single-family residential use according to the approved concept plan

According to the local planning department, there are no pending or prospective zoning changes.

Interpretation of zoning ordinances is beyond the scope of expertise of the assignment participants. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

There are no other known land use regulations that would affect the property.

Easements, Encroachments and Restrictions

Based upon a review of the property survey and preliminary plat, there are no apparent easements, encroachments, or restrictions that would adversely affect value. This valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include single-family residential use. No other restrictions on development are apparent.

General Description - Waterscape PID, IA #4 (Phase 3B)

The subject represents Improvement Area #4 (IA #4) being developed as Phase 3B of the Waterscape Public Improvement District (PID) located in the city of Royse City, Rockwall County, Texas. Phase 3B is currently under construction with a total of 148 single-family lots on 30.87 acres with an expected substantial completion date of May 31, 2024. Phase 3B is being developed with two typical lot types (40' and 50' frontage lots) designed for front access. The PID is located within the Royse City ISD and is governed under a Planned Development District allowing for detached single-family use according to the accepted concept plan. Access to the property is provided from the main entrance from FM-548 via existing interior streets as well as direct access from Crenshaw Road (northern boundary). An amenity center with pool, clubhouse, playground, and sand volleyball court was completed in earlier phases.

Improvements will also include concrete streets with curbs and gutters, streetlights, landscaping, and an entry feature.

The Waterscape PID, IA #4 (Phase 3B) is summarized in the following exhibit:

Waterscape PID, IA #4, Royse City, Rockwall County, Texas						
		Density	Typical Lot Dimensions		Expected	
Phase	Acres	Per Acre	40' x 120'	50' x 120'	Total Lots	Completion Date
3B	30.87	4.8	58	90	148	May 31, 2024



Subject



Access to subject property



Access to subject property



Crenshaw Road



Crenshaw Road



Subject



Subject



Subject



Main Entrance



FM-548



Amenity



Amenity Center



Amenity Center

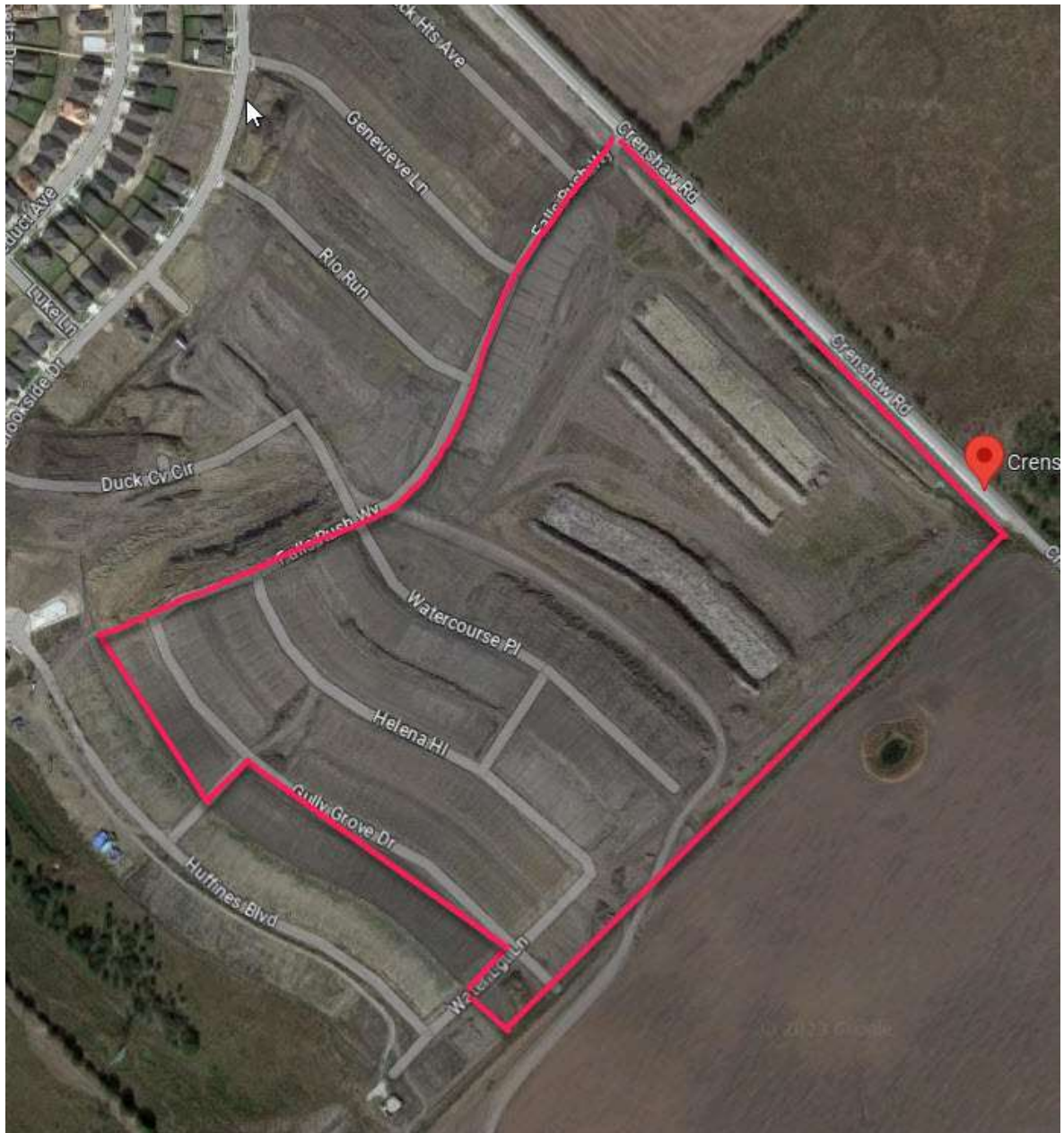


Pond Amenity



Amenity

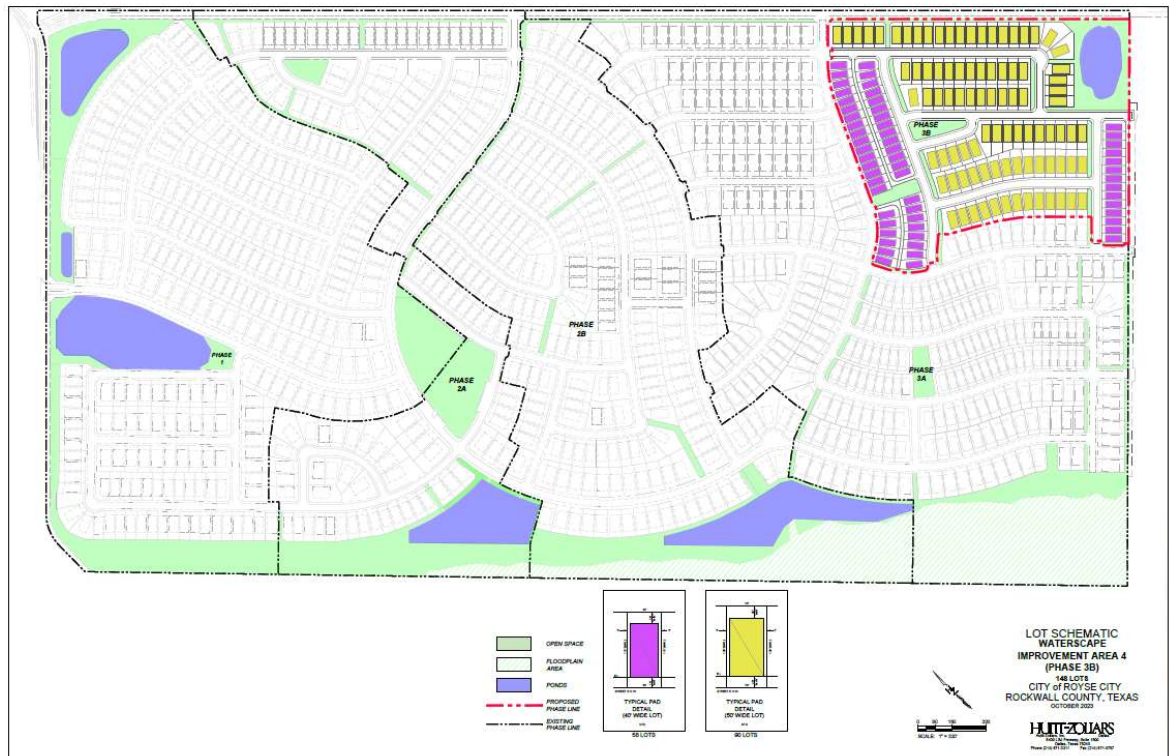
Aerial Photograph



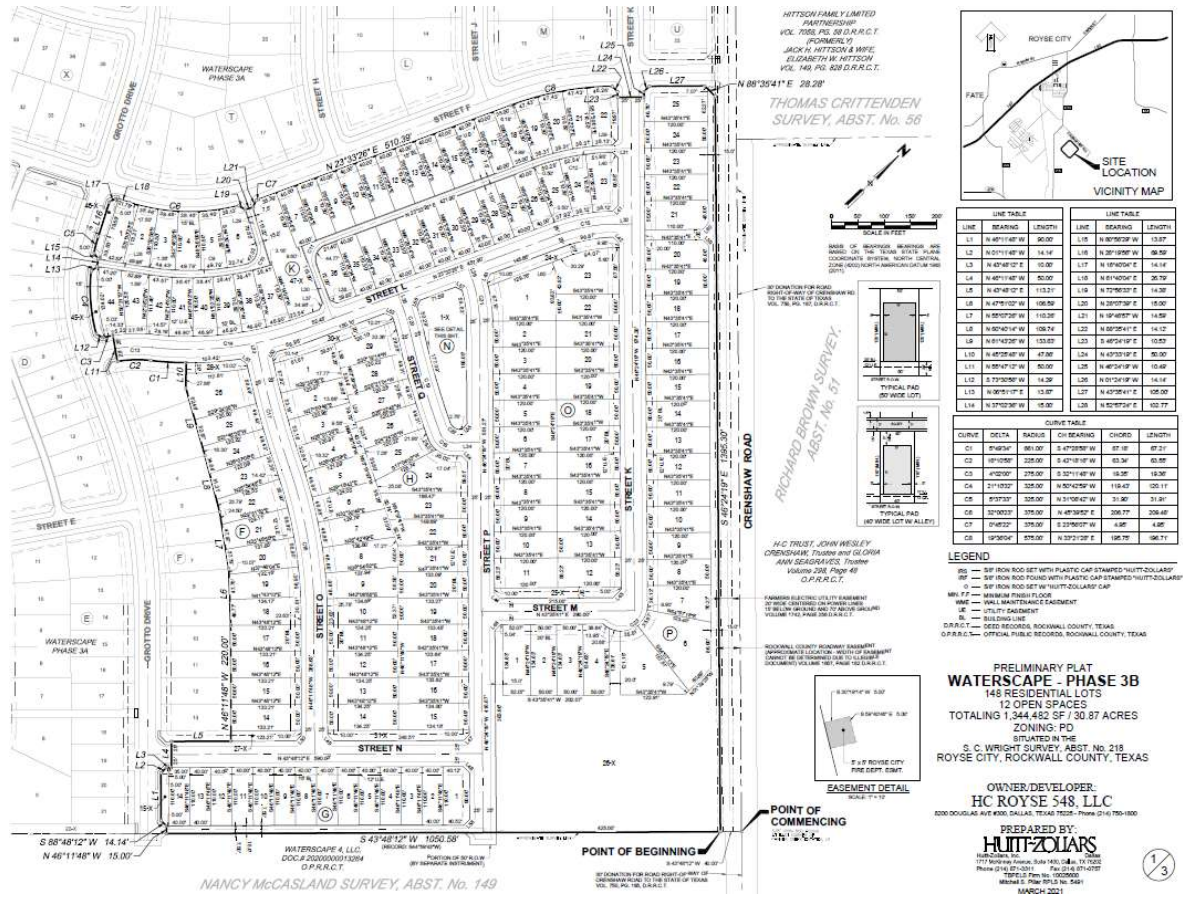
Tax Plat Map



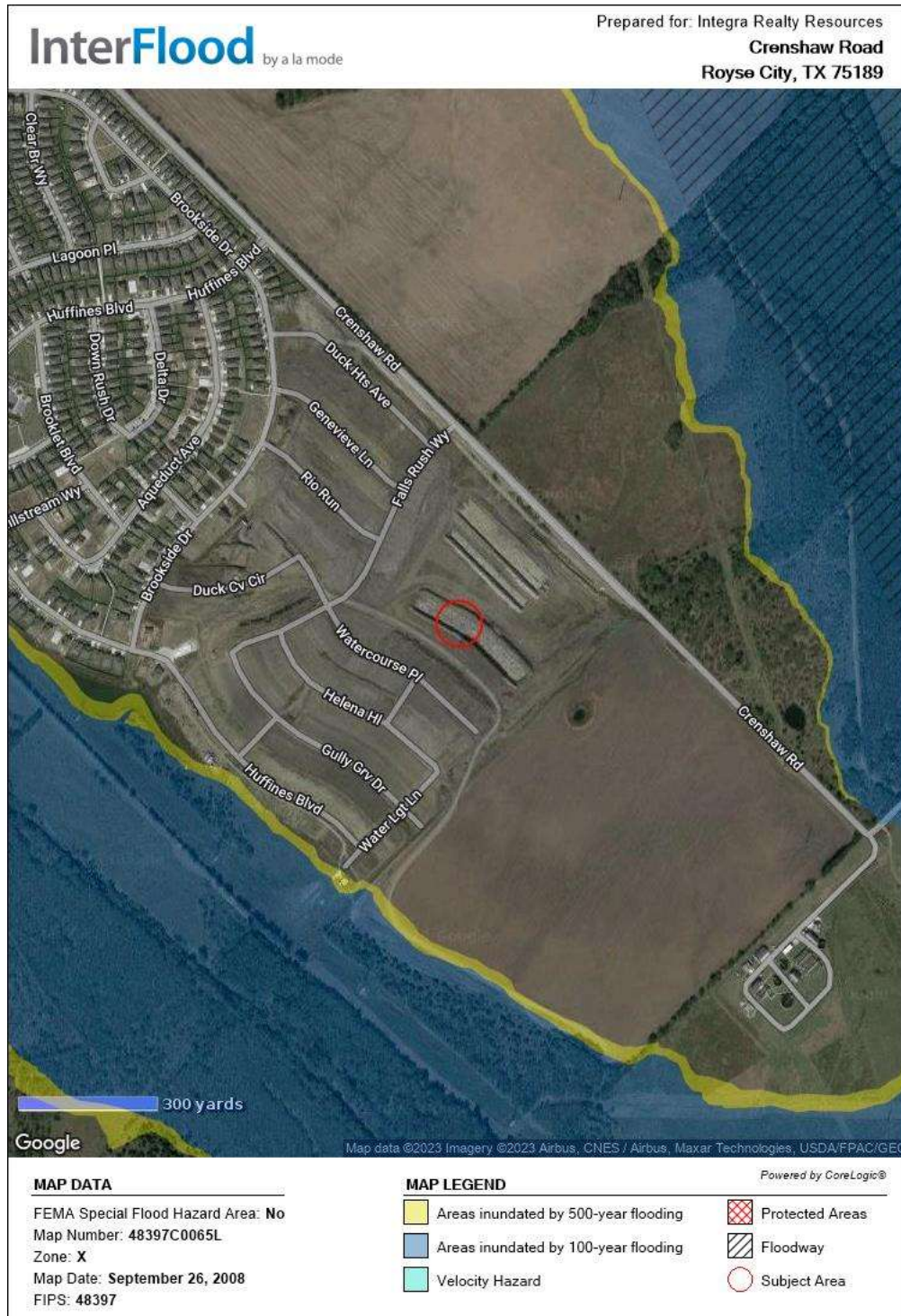
Waterscape IA #4 (Phase 3B) Lot Schematic



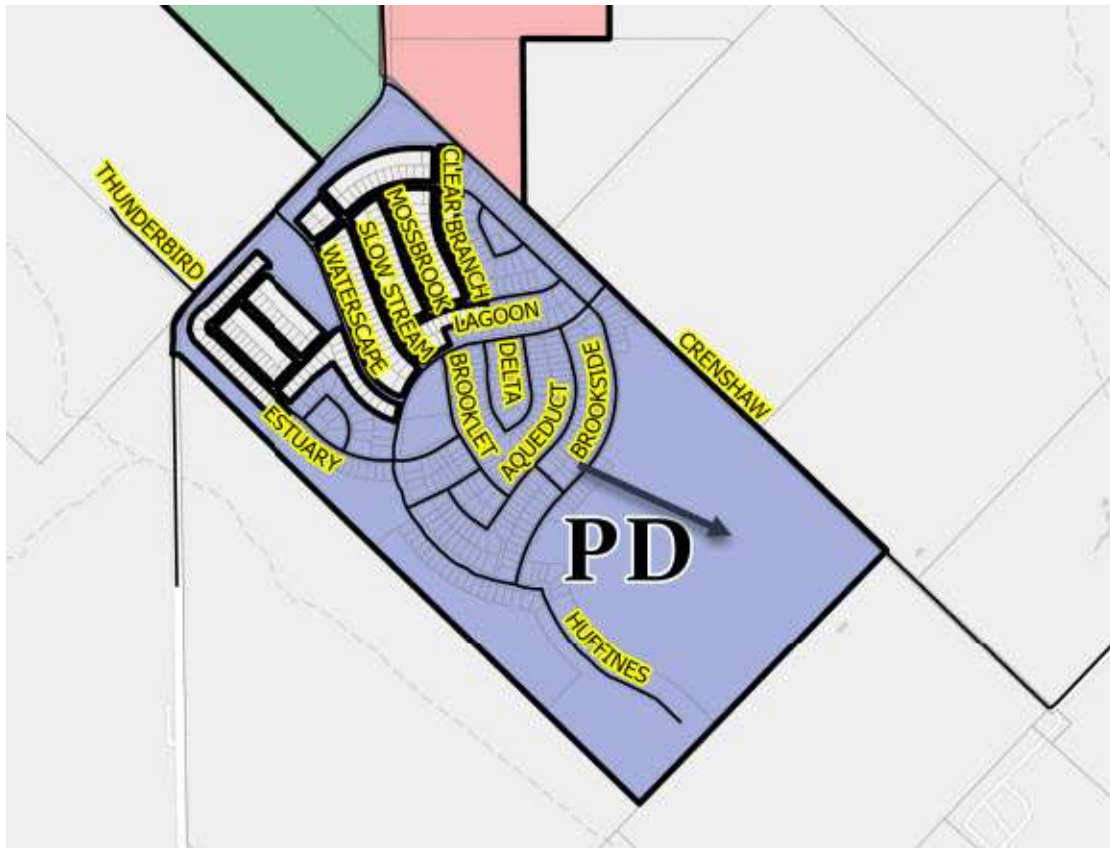
Preliminary Plat – Waterscape, Phase 3B



Flood Hazard Map



Zoning Map



Allocation of Authorized Improvements

Description of Authorized Improvements

A. Improvement Area #4 Improvements

- *Streets*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within Improvement Area #4.

- *Water & Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide water and wastewater service to all Lots within Improvement Area #4.

- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Improvement Area #4.

- *Soft Costs*

Includes engineering and design, construction inspection fees, geotechnical testing, governmental submittal fees, and 2% contractor completion bonds for the Improvement Area #4 Improvements described above.

Project Costs

	Total ³	Major Improvement Area		Improvement Area #1		Improvement Area #2		Improvement Area #3		Improvement Area #4	
		%	Cost	%	Cost	%	Cost	%	Cost	%	Cost
Major Improvements¹											
Streets & Storm Drainage ²	\$ 2,033,742	72.83%	\$ 1,481,095	27.17%	\$ 552,647	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Water & Sanitary Sewer	1,953,609	72.83%	1,422,737	27.17%	530,872	0.00%	-	0.00%	-	0.00%	-
Landscaping	2,080,000	72.83%	1,514,783	27.17%	565,217	0.00%	-	0.00%	-	0.00%	-
Soft Costs	530,201	72.83%	386,125	27.17%	144,076	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 6,597,553</u>		<u>\$ 4,804,739</u>		<u>\$ 1,792,813</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #1 Improvements											
Streets	\$ 3,680,544	0.00%	\$ -	100.00%	\$ 3,680,544	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -
Water & Sanitary Sewer	1,465,476	0.00%	-	100.00%	1,465,476	0.00%	-	0.00%	-	0.00%	-
Storm Drainage	710,730	0.00%	-	100.00%	710,730	0.00%	-	0.00%	-	0.00%	-
Soft Costs	1,370,186	0.00%	-	100.00%	1,370,186	0.00%	-	0.00%	-	0.00%	-
	<u>\$ 7,226,937</u>		<u>\$ -</u>		<u>\$ 7,226,937</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #2 Improvements											
Streets	\$ 5,143,879	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 5,143,879	0.00%	\$ -	0.00%	\$ -
Water & Sanitary Sewer	2,843,825	0.00%	-	0.00%	-	100.00%	2,843,825	0.00%	-	0.00%	-
Storm Drainage	1,581,191	0.00%	-	0.00%	-	100.00%	1,581,191	0.00%	-	0.00%	-
Right of Way	730,008	0.00%	-	0.00%	-	100.00%	730,008	0.00%	-	0.00%	-
Soft Costs	2,648,970	0.00%	-	0.00%	-	100.00%	2,648,970	0.00%	-	0.00%	-
	<u>\$ 12,947,872</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 12,947,872</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #3 Improvements											
Streets	\$ 2,728,258	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 2,728,258	0.00%	\$ -
Water & Sanitary Sewer	2,233,443	0.00%	-	0.00%	-	0.00%	-	100.00%	2,233,443	0.00%	-
Storm Drainage	998,929	0.00%	-	0.00%	-	0.00%	-	100.00%	998,929	0.00%	-
Soft Costs	1,470,387	0.00%	-	0.00%	-	0.00%	-	100.00%	1,470,387	0.00%	-
	<u>\$ 7,431,017</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 7,431,017</u>		<u>\$ -</u>
Improvement Area #4 Improvements											
Streets	\$ 1,504,099	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 1,504,099
Water & Sanitary Sewer	1,211,556	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	1,211,556
Storm Drainage	170,609	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	170,609
Soft Costs	644,741	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100.00%	644,741
	<u>\$ 3,531,005</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 3,531,005</u>
Bond Issuance Costs - IA#1 Bonds & MIA Bonds											
Debt Service Reserve Fund	\$ 574,000		\$ 350,000		\$ 224,000		\$ -		\$ -		\$ -
Capitalized Interest	441,409		322,743		118,666		-		-		-
Underwriter Discount	257,250		154,500		102,750		-		-		-
Cost of Issuance	480,500		273,500		207,000		-		-		-
	<u>\$ 1,753,159</u>		<u>\$ 1,100,743</u>		<u>\$ 652,416</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
Bond Issuance Costs - IA#1 Additional Bonds, IA#2 Bonds, IA#3 Bonds, IA#4 Bonds											
Debt Service Reserve Fund	\$ 1,830,934		\$ -		\$ 183,200		\$ 682,094		\$ 714,870		\$ 250,770
Capitalized Interest	297,091		-		-		297,091		-		-
Underwriter Discount	680,850		-		83,550		257,100		242,100		98,100
Cost of Issuance	1,264,550		-		154,500		417,500		480,000		212,550
	<u>\$ 4,073,425</u>		<u>\$ -</u>		<u>\$ 421,250</u>		<u>\$ 1,653,785</u>		<u>\$ 1,436,970</u>		<u>\$ 561,420</u>
Other Costs											
First Year Deposit to Administrative Fund	\$ 105,000		\$ -		\$ -		\$ 30,000		\$ 45,000		\$ 30,000
	<u>\$ 105,000</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 30,000</u>		<u>\$ 45,000</u>		<u>\$ 30,000</u>
Total	\$ 43,665,968		\$ 5,905,482		\$ 10,093,416		\$ 14,631,657		\$ 8,912,987		\$ 4,122,425

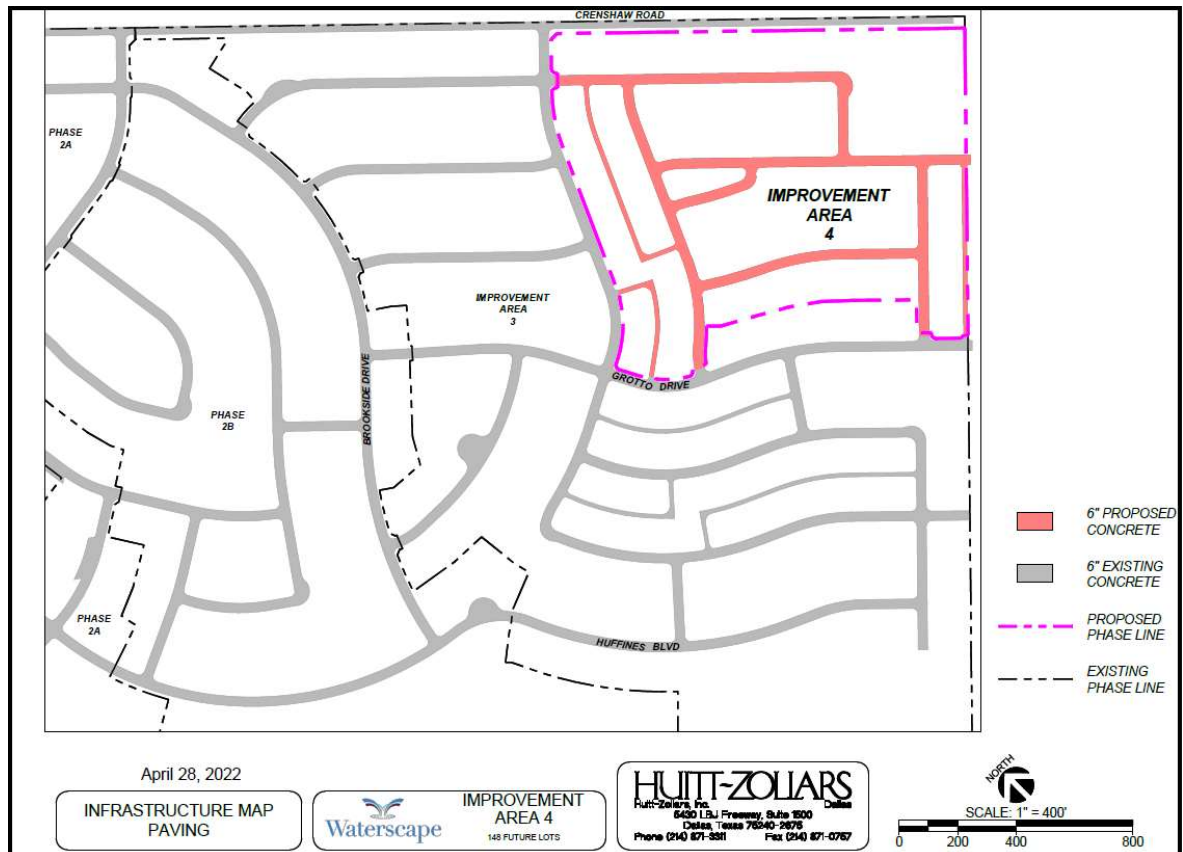
Notes:

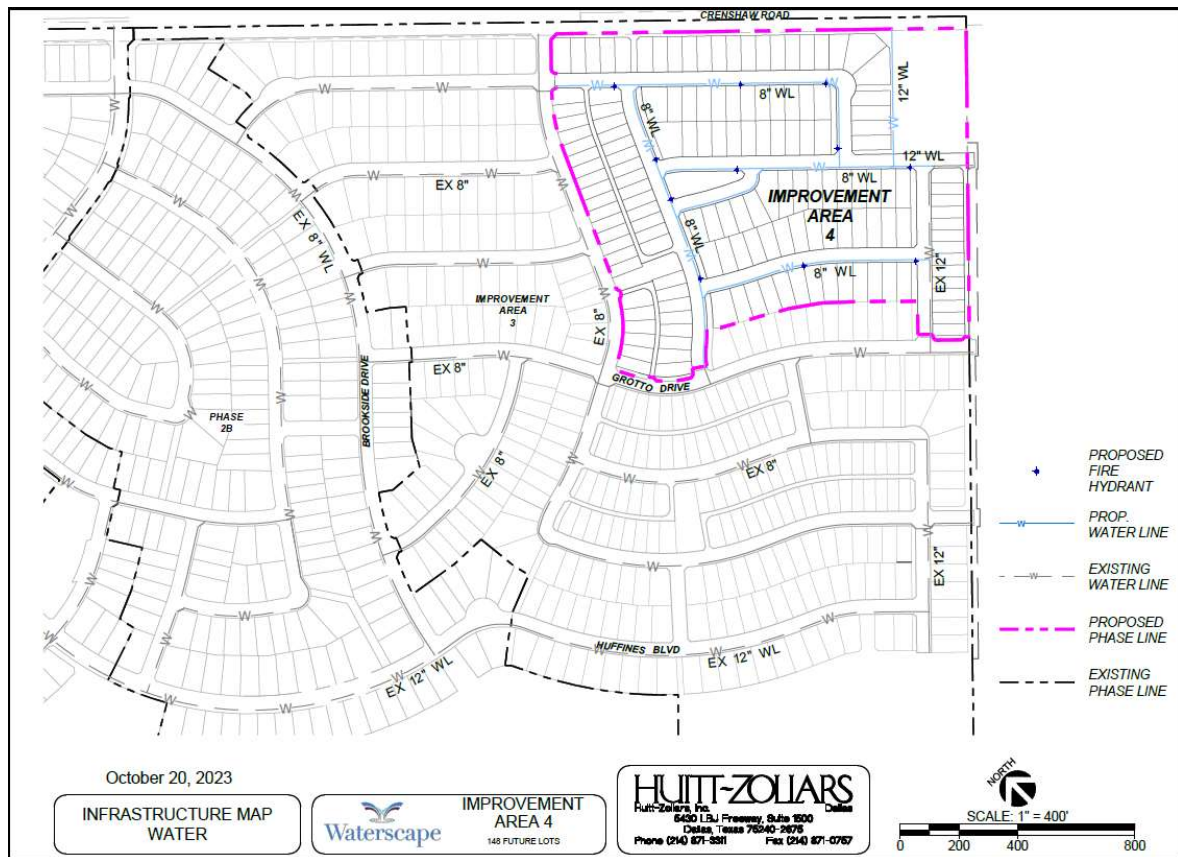
¹ The Major Improvements are allocated between Improvement Area #1 and the Major Improvement Area based on the projected Lot counts of each area at the time the Major Improvement Area Bonds and Improvement Area #1 Initial Bonds were issued.

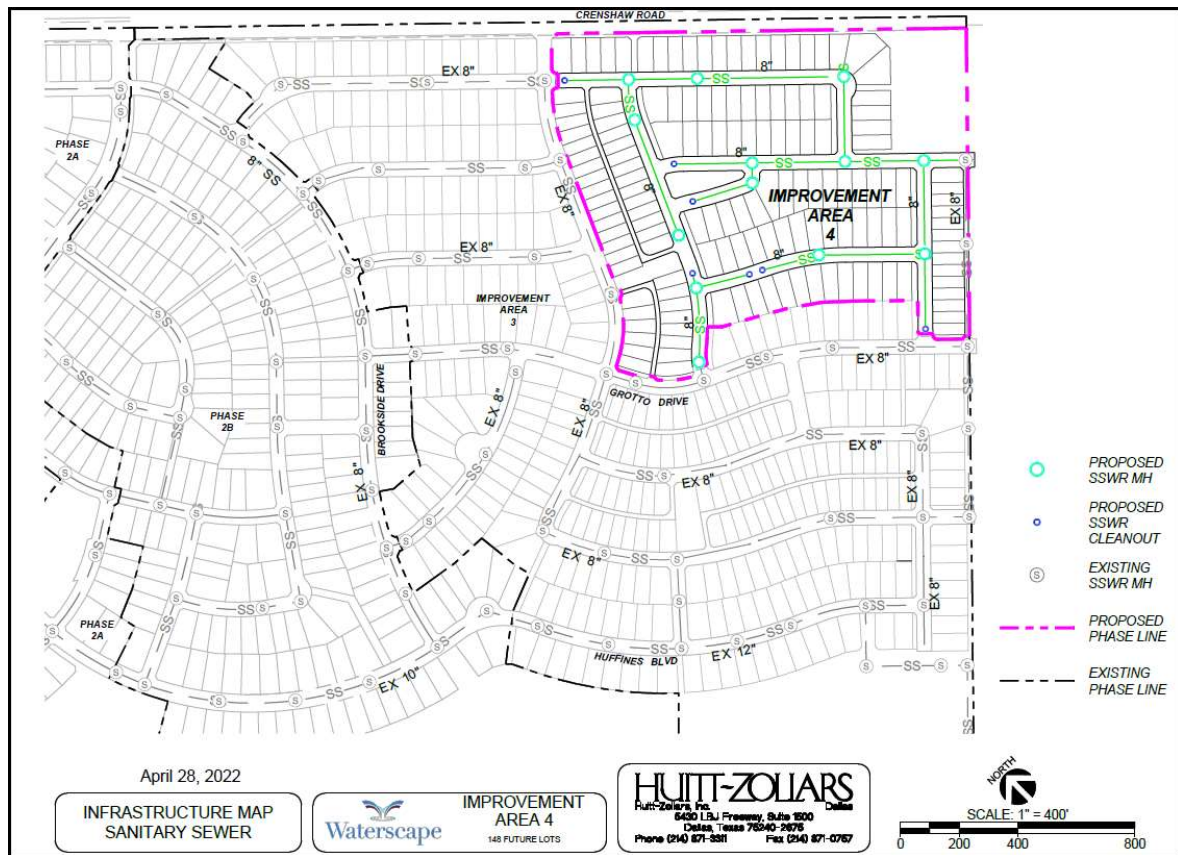
² Includes Crenshaw Road intersection improvements and Crenshaw Road ROW improvements.

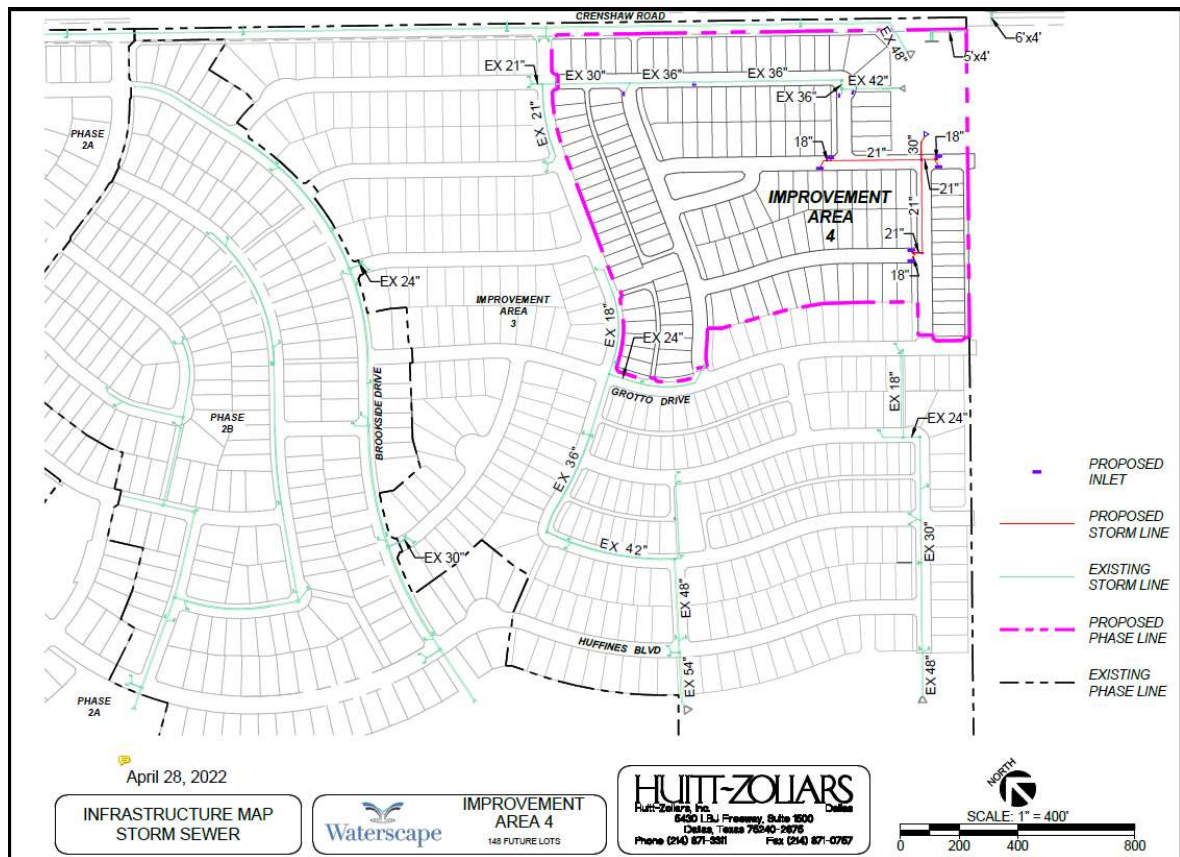
³ Represents budgets of improvement costs for each Improvement Area at the time Assessments for each Improvement Area were levied, respectively. See Section IX for revised budgets and funds spent to date.

Improvement Maps









Real Estate Taxes

Real estate tax assessments are administered by the Rockwall Central Appraisal District and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The tax rates are certified in October. Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2023						
Tax ID	Total Acres	Assessed Value			Taxes and Assessments	
		Land	Improvements	Total	Ad Valorem Tax Rate	Taxes
12863	93.22	\$1,901,688	\$0	\$1,901,688	2.117500%	\$40,268

The subject is currently assessed as part of a larger vacant tract of land comprised of 93.22 acres.

The assessed value as vacant land is irrelevant to our prospective valuation upon completion. The estimated taxes for the subject's lots under construction will be based upon our market value opinions within the discounted cash flow statements within this report.

Texas is a non-disclosure State with a mandate to assess property at 100% of market value. Some Texas County Assessors are more successful at achieving the mandate than others. In Texas Counties with little or no transaction activity, values can lag the market. However, there is no limit on increases in the event of a re-assessment.

Property owners in Texas may protest ad valorem assessments using the one of two tests, 1) Market Value or 2) "Equal Appraisal". Market Value is self-explanatory. "Equal Appraisal" means there is a burden on the District's Assessor to ensure mass appraisal methods produce consistent results from property to property. To measure equality, the Appraisal Review Board will consider the assessed values of competing properties in the District. The process involves generation of "ratio study" in which, after appropriate adjustments, the "median value" is the conclusion of "Equal Appraisal".

Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value, and represents the use of an asset that maximizes its productivity.

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned PD, Planned Development. Permitted uses include single-family residential use according to the approved concept plan. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only single-family residential use is given further consideration in determining highest and best use of the site.

Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for single-family residential use in the subject's area. It appears a newly developed single-family residential use on the site would have a value commensurate with its cost. Therefore, single-family residential use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than single-family residential use. Accordingly, single-family residential use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for single-family residential use is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property.

Most Probable Buyer

Taking into account the characteristics of the site, as well as area development trends, the probable buyer is a homebuilder.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach - (Subdivision Development Analysis)	Applicable	Utilized

Sales Comparison Approach

To develop an opinion of the subject's lot values within the Waterscape PID, IA #4 (Phase 3B), as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

As discussed previously, the property is divided for valuation purposes relative to the two lot types on the subject's 30.87 acres, being 40-feet and 50-feet in lot width.

The Sales Comparison Approach will be utilized to determine lot values for the individual lot types as well as the other land tracts which are summarized as follows:

Land Parcels				
Premise	Frontage Size	SF	Units	Unit of Comparison
40' Frontage Lots	40' Frontage	4,800	40	Front Footages
50' Frontage Lots	50' Frontage	6,000	50	Front Footages

40' Frontage Lots (40' x 120'; 4,800 SF)

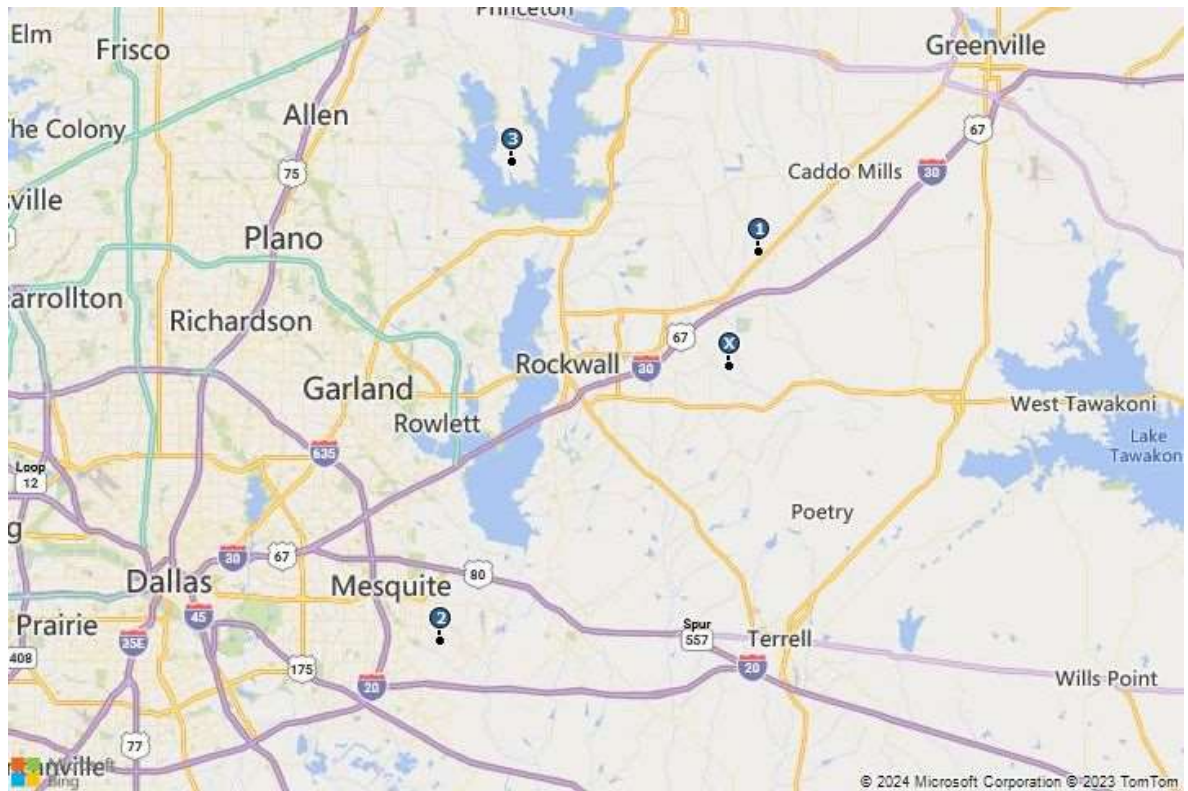
To apply the sales comparison approach to the 40' Frontage Lots, the research focused on transactions within the following parameters:

- Location: General Market Area
- Size: 40' Frontage Lots
- Use: Residential
- Transaction Date: January 2023+ or pending

For this analysis, price per front footage is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table:

Summary of Comparable Land Sales - 40' Frontage Lots								
No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Front Footage	Zoning	\$/Front Footage	\$/SF Land
1	Creekside, Phase 2B - 40' Lots North side of SH-66, southwest of FM-2642 Royse City Collin County TX Comments: Lots in this development are located within the Creekside PID, IA #2 (Phase 2B) in the Royse City ISD.	Apr-24 In-Contract	\$70,000	4,400 0.10	40	Development Agreement	\$1,750	\$15.91
2	Solterra, Phase 1A - 40' Lots Southwest corner of Faithon P Lucas Sr Boulevard and E Cartwright Road Mesquite Dallas County TX Comments: This master-planned development (Solterra) is located in the Mesquite ISD. There are two additional home builders at the above stated pricing (HMH Homes and Impression Homes).	Feb-23 Closed	\$66,500	4,800 0.11	40	Development Agreement	\$1,663	\$13.85
3	Tillage Farms (Proposed) - 40' Lots Northwest corner of CR-437 and FM-982 Princeton Collin County TX Comments: Lots in this proposed development are located in the Princeton ISD. The lots are designed for front access. Home prices are projected to range from \$285,000 to \$355,000.	Feb-24 In-Contract	\$70,656	4,600 0.11	40	PD	\$1,766	\$15.36
	Subject Waterscape PID, IA #4 (Phase 3B) Royse City, TX			4,800 0.11	40	PD		

Comparable Land Sales Map – 40' Frontage Lots





Sale 1
Creekside, Phase 2B - 40' Lots



Sale 2
Solterra, Phase 1A - 40' lots



Sale 3
Tillage Farms (Proposed) - 40' Lots

Analysis and Adjustment of Sales

Adjustments are based on a rating of each comparable sale in relation to the subject. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of both analyses. Quantitative adjustments are often developed as dollar or percentage amounts and are most credible when there is sufficient data to perform a paired sales analysis.

While percentage adjustments are presented in the adjustment grid, they are based on qualitative judgment rather than empirical research, as there is not sufficient data to develop a sound quantitative estimate. Although the adjustments appear to be mathematically precise, they are merely intended to illustrate an opinion of typical market activity and perception. With the exception of market conditions, the adjustments are based on a scale, with a minor adjustment in the range of 1-5% and a substantial adjustment considered to be 20% or greater.

The rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

Transactional adjustments are applied for property rights conveyed, financing, conditions of sale, expenditures made immediately after purchase, and market conditions. In addition, property adjustments include – but are not limited to – location, access/exposure, size, quality, effective age, economic and legal characteristics, and non-realty components of value. Adjustments are considered for the following factors, in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

This category considers expenditures incurred immediately after the purchase of a property. There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

It is noted that most all lot contracts still contain interest carry clauses providing for increased sale prices through the take down period. The most current take down contracts found in the market area still include from 5-6% interest carry with some contracts reportedly renegotiated to include up to 8.5% carry in exchange for extended absorption periods. As such, we have included a market conditions adjustment of 6% through the date of valuation. One sale took place in February 2023 with two sales scheduled to close in late February 2024 and April 2024. Thus, the adjustment grid accounts for this trend with upward adjustments through the date of valuation.

Property Adjustments***Location***

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 1 and 2 are similar to the subject. No adjustments are necessary. Sale 3 is adjusted downward for superior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject. No adjustments are necessary.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

All of the comparables are similar to the subject. No adjustments are necessary.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of PD - Planned Development.

All of the comparables are similar to the subject. No adjustments are necessary.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid - 40' Frontage Lots				
	Subject	Comparable 1	Comparable 2	Comparable 3
Name	Waterscape PID, IA #4 (Phase 3B)	Creekside, Phase 2B - 40' Lots	Solterra, Phase 1A - 40' lots	Tillage Farms (Proposed) - 40' Lots
Address	Southwest side of Crenshaw Road, southeast of FM-548	North side of SH-66, southwest of FM-2642	Southwest corner of Faithon P Lucas Sr Boulevard and E Cartwright Road	Northwest corner of CR-437 and FM-982
City	Royse City	Royse City	Mesquite	Princeton
County	Rockwall	Collin	Dallas	Collin
State	Texas	TX	TX	TX
Sale Date		Apr-24	Feb-23	Feb-24
Sale Status		In-Contract	Closed	In-Contract
Sale Price		\$70,000	\$66,500	\$70,656
Effective Sale Price		\$70,000	\$66,500	\$70,656
Square Feet	4,800	4,400	4,800	4,600
Number of Front Footages	40	40	40	40
Price per Front Footage		\$1,750	\$1,663	\$1,766
Transactional Adjustments				
Property Rights		Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—
Conditions of Sale		—	—	—
% Adjustment		—	—	—
Expenditures Made Immediately After Purchase		—	—	—
\$ Adjustment		—	—	—
Market Conditions	5/31/2024	Apr-24	Feb-23	Feb-24
Annual % Adjustment	6%	1%	8%	2%
Cumulative Adjusted Price		\$1,768	\$1,796	\$1,802
Property Adjustments				
Location		—	—	-5%
Access/Exposure		—	—	—
Size		—	—	—
Shape and Topography		—	—	—
Zoning		—	—	—
Net Property Adjustments (\$)		\$0	\$0	-\$90
Net Property Adjustments (%)		0%	0%	-5%
Final Adjusted Price		\$1,768	\$1,796	\$1,712
Range of Adjusted Prices				
		\$1,712 - \$1,796		
Average		\$1,758		
Indicated Value		\$1,750		

Land Value Conclusion – 40' Frontage Lots

Prior to adjustments, the sales reflect a range of \$1,663 - \$1,766 per front footage. After adjustment, the range is narrowed to \$1,712 - \$1,796 per front footage, with an average of \$1,758 per front footage. To arrive at an indication of value, equal weight is given to all sales.

Based upon the preceding analysis, the land value conclusion for the subject is presented as follows:

Land Value Conclusion

Indicated Value per Front Footage	\$1,750
Subject Front Footages	<u>40</u>
Indicated Value	\$70,000
Rounded	<u>\$70,000</u>

50' Frontage Lots (50' x 120'; 6,000 SF)

To apply the sales comparison approach to the 50' Frontage Lots, the research focused on transactions within the following parameters:

- Location: General Market Area
- Size: 50' frontage lots
- Use: Residential
- Transaction Date: January 2023+ or Pending

For this analysis, price per front footage is used as the appropriate unit of comparison. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales - 50' Frontage Lots								
No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Front Footage	Zoning	\$/Front Footage	\$/SF Land
1	Liberty Crossing, Phase 1 - 50' Lots Southwest corner of E. Old Greenville Road and Cemetery Road Royse City Rockwall County TX <i>Comments: Lots in this development are located in a public improvement district. Lots are located in the Royse City ISD.</i>	Oct-23 Closed	\$75,000	6,000 0.14	50	PD	\$1,500	\$12.50
2	Solterra, Phase 1A - 50' lots Southwest corner of Faithon P Lucas Sr Boulevard and E Cartwright Road Mesquite Dallas County TX <i>Comments: This master-planned development (Solterra) is located in the Mesquite ISD. There are four additional home builders at the above stated pricing (Castle Rock Homes, First Texas Homes, Gehan Homes and Highland Homes).</i>	Feb-23 Closed	\$77,000	6,000 0.14	50	Development Agreement	\$1,540	\$12.83
3	Monterra, Phase 1A - 50' Lots West side of Ben Payne Road, north of W. Holiday Road (SH-66) Fate Rockwall County TX <i>Comments: This development is located in the Monterra Public Improvement District. Phase 1 is being developed with 310 lots on 92.860 acres with 50', 60', and 70' lots. All of the lots are contracted at \$1,450/FF. This development is located in the Rockwall ISD.</i>	Sep-23 Closed	\$72,500	6,000 0.14	50	PD/Development	\$1,450	\$12.08
4	Creekside, Phase 2B - 50' Lots North side of SH-66, southwest of FM-2642 Royse City Collin County TX <i>Comments: Lots in this development are located within the Creekside PID, IA #2 in the Royse City ISD. This homebuilder is RockWell-Homes.</i>	Apr-24 In-Contract	\$83,750	5,500 0.13	50	Development Agreement	\$1,675	\$15.23
Subject				6,000	50	PD		
Waterscape PID, IA #4 (Phase 3B)				0.14				
Royse City, TX								



Sale 1
Liberty Crossing, Phase 1 - 50' Lots



Sale 2
Solterra, Phase 1A - 50' lots



Sale 3
Monterra, Phase 1A - 50' Lots



Sale 4
Creekside, Phase 2B - 50' Lots

Analysis and Adjustment of Sales

Adjustments are considered for the following factors in the sequence shown below.

Transactional Adjustments***Real Property Rights Conveyed***

All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

It is noted that most all lot contracts still contain interest carry clauses providing for increased sale prices through the take down period. The most current take down contracts found in the market area still include from 5-6% interest carry with some contracts reportedly renegotiated to include up to 8.5% carry in exchange for extended absorption periods. As such, we have included a market conditions adjustment of 6% through the date of valuation. The sales took place from February 2023 to October 2023 with one sale scheduled to close in April 2024. Thus, the adjustment grid accounts for this trend with upward adjustments through the date of valuation.

Property Adjustments***Location***

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 1, 2 and 4 are similar to the subject. No adjustments are necessary. Sale 3 is adjusted upward for inferior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject. No adjustments are necessary.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

All of the comparables are similar to the subject. No adjustments are necessary.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

All of the comparables are similar to the subject. No adjustments are necessary.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of PD - Planned Development.

All of the comparables are similar to the subject. No adjustments are necessary.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid - 50' Frontage Lots					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Waterscape PID, IA #4 (Phase 3B)	Liberty Crossing, Phase 1 - 50' Lots	Solterra, Phase 1A - 50' lots	Monterra, Phase 1A - 50' Lots	Creekside, Phase 2B - 50' Lots
Address	Southwest side of Crenshaw Road, southeast of FM-548	Southwest corner of E. Old Greenville Road and Cemetery Road	Southwest corner of Faithon P Lucas Sr Boulevard and E Cartwright Road	West side of Ben Payne Road, north of W. Holiday Road (SH-66)	North side of SH-66, southwest of FM-2642
City	Royse City	Royse City	Mesquite	Fate	Royse City
County	Rockwall	Rockwall	Dallas	Rockwall	Collin
State	Texas	TX	TX	TX	TX
Sale Date		Oct-23	Feb-23	Sep-23	Apr-24
Sale Status		Closed	Closed	Closed	In-Contract
Sale Price		\$75,000	\$77,000	\$72,500	\$83,750
Effective Sale Price		\$75,000	\$77,000	\$72,500	\$83,750
Square Feet	6,000	6,000	6,000	6,000	5,500
Number of Front Footages	50	50	50	50	50
Price per Front Footage		\$1,500	\$1,540	\$1,450	\$1,675
Transactional Adjustments					
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—	—
Conditions of Sale		—	—	—	—
% Adjustment		—	—	—	—
Expenditures Made Immediately After Purchase		—	—	—	—
\$ Adjustment		—	—	—	—
Market Conditions	5/31/2024	Oct-23	Feb-23	Sep-23	Apr-24
Annual % Adjustment	6%	4%	8%	4%	1%
Cumulative Adjusted Price		\$1,560	\$1,663	\$1,508	\$1,692
Property Adjustments					
Location		—	—	10%	—
Access/Exposure		—	—	—	—
Size		—	—	—	—
Shape and Topography		—	—	—	—
Zoning		—	—	—	—
Net Property Adjustments (\$)		\$0	\$0	\$151	\$0
Net Property Adjustments (%)		0%	0%	10%	0%
Final Adjusted Price		\$1,560	\$1,663	\$1,659	\$1,692
Range of Adjusted Prices		\$1,560 - \$1,692			
Average		\$1,643			
Indicated Value		\$1,650			

Land Value Conclusion – 50' Frontage Lots

Prior to adjustments, the sales reflect a range of \$1,450 - \$1,675 per front footage. After adjustment, the range is narrowed to \$1,560 - \$1,692 per front footage, with an average of \$1,643 per front footage. To arrive at an indication of value, equal weight is given to all sales.

Based upon the preceding analysis, the land value conclusion is as follows:

Land Value Conclusion

Indicated Value per Front Footage	\$1,650
Subject Front Footages	<u>50</u>
Indicated Value	\$82,500
Rounded	\$82,500

Summary of Land Values

Based upon this analysis, the individual values are summarized as follows:

Summary of Land Values					
Parcel	Unit of Comparison	Units	Indicated Unit Value	Indicated Value	Rounded
40' Frontage Lots	1	40	\$1,750	\$70,000	\$70,000
50' Frontage Lots	1	50	\$1,650	\$82,500	\$82,500

Cumulative Retail Lot Value

Following is the calculation for the total cumulative retail lot value for the subject's 148 lots.

Cumulative Retail Lot Value Calculation				
Total Lots	Front Footage	Average Price/Lot	Price/FF	Total Cumulative Retail Value
58	40	\$70,000	\$1,750	\$4,060,000
90	50	\$82,500	\$1,650	\$7,425,000
148		\$77,601		\$11,485,000

As shown, the total cumulative retail lot value equates to \$11,485,000 or \$77,601/lot average.

It should be clearly understood that the summation of lot values does not represent our opinion of the market discounted/bulk value, as if the lots are all sold in bulk in a single transaction.

Summary of Net/Gross Value Analysis Conclusion

The preceding value was based on a retail sale of small batches of lots (less than 20 lots at a time). However, frequently entire subdivisions are sold to builders, or other investors, at a discount. These builders will then warehouse the land themselves, or the investors will resell the lots to builders over a longer-term takedown schedule. Thus, to determine the appropriate discount for the subject, we have assembled a number of bulk sales of other developed subdivision lots located throughout North Texas. The comparables presented represent the bulk sale of developed lots to homebuilders and/or investors. As shown below, the discount for the sales presented ranged from 3.9% to 18.6% of the retail value from 2019 to First Quarter 2023. The data indicates that discounts for bulk lot sales were decreasing through 2022 in many submarket areas. However, with the recent rise in interest rates suggest that larger discounts may be supportable.

Our bulk sale comparables from 2019 – First Quarter 2023 are listed in the following summary table.

Bulk Lot Sale Summary							
Subdivision	Date of Sale	Total Lots	Lot Dimensions	Total SF	Bulk Price/Lot	Retail Price/Lot	N/G Ratio
Sutton Fields	Jul-19	100	50' x 115'	5,750	\$50,000	\$61,000	82.0%
Celina, Texas		85	60' x 115'	6,900	\$57,000	\$70,000	81.4%
LakePointe	Jul-19	114	50' x 120'	6,000	\$47,500	\$51,000	93.1%
Lavon, Texas		109	60' x 120'	7,200	\$54,900	\$58,000	94.7%
Massey Meadows, Ph. 1	May-19	186	70' x 120'	8,400	\$70,000	\$77,000	90.9%
Midlothian, Texas							
Ventana, Ph. 2	May-20	62	50' x 120'	6,000	\$60,000	\$66,250	90.6%
Fort Worth, Texas							
Inspiration, Ph. 9	Mar-20	125	50' x 120'	6,000	\$76,125	\$79,170	96.1%
St. Paul, Texas							
The Highlands	Feb-21	34	50' x 140'	7,000	\$109,000	\$115,000	94.8%
Rockwall, Texas							
LakePointe, Phase 2	Dec-21	118	50' x 120'	6,000	\$48,825	\$52,500	93.0%
Lavon, Texas		142	60' x 120'	7,200	\$56,265	\$60,500	93.0%
Painted Tree Village	Oct-22	74	40' x 110'	4,400	\$84,000	\$94,000	89.4%
McKinney, Texas		111	50' x 118'	5,900	\$105,000	\$117,500	89.4%
Northlake Estates, Phase 3	Jan-23	92	65' x 125'	8,125	\$85,000	\$104,000	81.7%
Little Elm ETJ, Texas							
Source: Developers 2019-2023							

Thus, when consideration is given to the subject's shorter projected marketing periods of 8.3± months (40' lots) and 10.0± months (50' lots), a net to gross sales price ratio (average bulk sale value per lot/average retail sales price per lot) of 95% is deemed appropriate for the subject's lots under construction.

Net/Gross Value Analysis Conclusion

Based upon the preceding, it is our opinion that the net/gross market value for the subject, utilizing an overall average retail lot value of \$77,601/lot and a net/gross ratio of 95%, is \$10,910,000 (R) or an overall average of \$73,716/lot (R).

Net/Gross Ratio Market Value Summary	
Average Lot Value	\$77,601
Total Lots	148
N/G Ratio %	95%
Total Market Value (R)	\$10,910,000
Average/Lot	\$73,716

Subdivision Development Analysis (As Complete)

Having completed the retail valuation section of the assignment, we will now provide an opinion of the market value of the property to a single purchaser, as of this date. Obviously, this value will include a provision for compensating the developer/sponsor, i.e., profit for risk and expenditure of time. This value contemplates that the developer/sponsor of the subject would sell the subject property to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of this date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future time period. Valuations involving such properties must fully reflect all appropriate deductions and discounts as well as the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are considered to be those which reflect all expenses associated with the disposition of the realty, as of the date of completion, as well as the cost of capital and entrepreneurial profit. This latter item of entrepreneurial profit is accounted for herein as part of the discount rate. Based on our experience, profit is not expensed as a line item as it is not realized until the project's expenses (including debt) are paid.

The various assumptions necessary to complete our subdivision development analysis (discounted cash flow analysis) for the developed subject subdivision are discussed in detail in the following paragraphs.

Absorption

As discussed in detail in the "Single-Family Analysis" section of our analysis, we have projected the overall absorption for the subject to be 8.3± months (40' lots) and 10.0± months (50' lots) for the subject's 148 lots under construction.

Our monthly absorption projection is summarized as follows:

Projected Absorption Summary											Total Aborp. Period	
Lot Type	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Lots	(Months±)
40' Lots	7	7	7	7	7	7	7	7	2	0	58	8.3
50' Lots	9	9	9	9	9	9	9	9	9	9	90	10.0
Totals	16	16	16	16	16	16	16	16	11	9	148	

Price/Value Increases Over the Sellout Period

Texas has had some of the strongest housing appreciation rates in the country over the past decade. Over the past decade, Texas housing prices have risen 125.74 percent, which equates to an annual home appreciation rate of 8.48 percent, according to the data collected by NeighborhoodScout. If you are a house buyer or real estate investor, Texas has been one of the finest long-term real estate investments in the United States over the past decade.

In Dallas, Texas, housing prices are expected to decrease by 0.1% as of April 2023, followed by a further decline of 0.3% in June 2023, but are projected to increase by 0.7% by March 2024. Although house sales have slowed in Texas, this is not always an indication of demand but rather of supply. Numerous analysts believe that the number of homes sold in Texas in 2021 and 2022 could have been higher if there had been a greater supply of homes for sale. As newly constructed homes enter the market, this might increase overall sales. Overall, the Texas housing market will likely continue robust, although not to the same extent as in 2021.

In conclusion, the Texas economy is currently facing some challenges, but it remains relatively strong compared to other states. The energy sector continues to be a major driver of growth, but it is subject to volatility. The housing market is showing signs of weakness, but it remains relatively stable. Employment growth has been strong, but there are signs that it may be slowing. Overall, the economic outlook for Texas remains positive, but some potential headwinds could cause problems in the future.

Trends in National Inflation and Interest Rates

Year	U.S. Prime	Increase in	
	Rate	U.S. CPI	Real Rate of Return
2013	3.25%	1.50%	1.75%
2014	3.25%	1.30%	1.95%
2015	3.50%	0.70%	2.80%
2016	3.75%	1.40%	2.35%
2017	4.25%	2.11%	2.14%
2018	5.50%	1.95%	3.55%
2019	4.75%	2.29%	2.46%
2020	3.25%	0.13%	3.12%
2021	3.25%	0.07%	3.18%
2022	7.50%	6.06%	1.44%
09/23*	8.50%	3.70%	4.80%

Source: Federal Reserve Bank of St. Louis, U.S. Financial Data

*Increase is compared to the previous year-to-year figures

As shown in the preceding table, CPI increases ranged from 0.70% to 6.06% from 2013 through September 2023 with prime rates ranging from 3.25% to 8.50% resulting in real annual rates of returns ranging from 1.44% - 4.80% (with the most current real rate of return at 4.80% with an 8.50% prime rate). Thus, the real rates of return are substantially affected with fluctuations in the prime rates and the increases/decreases in the consumer price index. (The increase is calculated relative to the previous year-to-year index rates).

Historically, in the sales contracts of the volume lot sales in the marketplace, the lot prices are typically adjusted upward at rates ranging from 6.0% to the prime rate (8.5%). Thus, for valuation purposes herein, we have estimated an annual escalation on the sale of the subject units at 6% per year for the subject lots. This is considered reasonable given the supply of available housing product in the area and the historical collection of interest carry/appreciation by developers within the Dallas/Fort Worth and surrounding market areas.

Expenses

Cost of Sales has been estimated at 2.5% of gross sales proceeds for various closing costs and title policies.

Taxes are paid by the developer annually. The estimation of taxes paid per period is based upon the premise that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. Based upon our experience and information gathered from numerous reputable builders/ developers and taxing authorities, this methodology and percentage estimate (2.0%) is well founded. Rollback taxes are not deducted herein.

Marketing expense is not included in this analysis as the majority of the subject lots are contracted to two volume homebuilders who traditionally provide for marketing.

HOA Dues – In a newly constructed subdivision, the developer controls the property until a certain percentage of lots are sold, then the fees are turned over to the HOA. As such, new home buyers pay HOA, but not the developers. There may be minimal maintenance fees over the absorption period, but this would not significantly affect value.

Management Expense/Entrepreneurial Coordination/Remuneration: The last major deduction is that for Entrepreneurial (i.e., the developer/sponsor)/coordination talent expenditure. The Dictionary of Real Estate Appraisal defines entrepreneurial profit as a market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. Inasmuch as the discount rate will include a provision for return on the equity investment, this deduction will be for actual time and expenses only.

Typically, the developer will allow a budgeted line item equal to 0.5% to 2.0% of sales and/or costs, depending on the size of the project, expertise required, and management developmental time involved. Based upon these items, an expense of 0.5% is deemed appropriate and will be a direct line-item deduction from the gross sales proceeds.

Discount Rate

According to the Dictionary of Real Estate Appraisal, 7th Addition, Discount Rate is defined as “a rate of return on capital used to convert future payments or receipts into present value.” The discount rate may or may not be the same as the internal rate of return (IRR), or yield rate, depending on how it is extracted from the market and/or used in the analysis. Furthermore, Internal Rate of Return (IRR) is defined as “the annualized yield rate or rate of return on capital that is generated within an investment or portfolio over a period of ownership.” The IRR is the rate of discount that makes the net present value of the investment equal to zero. The IRR discounts all returns from the investment, including returns from its reversion, to equal the original capital outlay. This rate is similar to the equity yield rate. As a measure of investment performance, the IRR is the rate of discount that produces a profitability index of one and a net present value of zero. It may be used to measure profitability after income taxes, i.e., the after-tax equity yield rate. In other words, it is a rate of profit (or loss) or a measure of performance. It is literally, an interest rate. The effective interest rate on a real estate investment is the equity investor's IRR. The yield to maturity on a bond is the bond holder's IRR, when the bond is held for its full term. The IRR is the rate of return on capital expressed as a ratio per unit of time; for example, 10% per annum. The discount rate utilized herein is essentially an anticipated IRR for the subject property, as estimated from investment performance realized by market participants. Although the investment vehicle being analyzed herein is real property, competition for investment dollars in other investment media is intense, and the prudent investment manager must carefully consider all options. Because of the element of risk involved in real estate investment versus alternative investment vehicles, the prudent investment manager must compare rates of return. The performance of real estate is dependent upon and could fluctuate with the degree of quality of management, unexpected competition, disasters, or economic cycles, particularly in the subject's market area. Therefore, it entails a greater degree of risk than instruments such as government-backed bonds or fixed-rate mortgages.

Following is a summary of yield comparisons as of July 1, 2023, provided by PwC Real Estate Investor, as published by PricewaterhouseCoopers.

YIELD COMPARISON July 1, 2023

	2018 AVERAGE	2019 AVERAGE	2020 AVERAGE	2021 AVERAGE	2022 AVERAGE	2023 JANUARY	2023 APRIL	2023 JULY
PwC Yield Indicator (PYI) ^a	7.58%	7.47%	7.56%	7.51%	7.43%	7.91%	8.13%	8.39%
Long-Term Mortgages ^b	4.95%	4.71%	3.95%	4.53%	5.61%	6.57%	7.56%	7.39%
10-Year Treasuries ^c	2.79%	2.21%	0.97%	1.40%	2.64%	3.79%	3.43%	3.86%
Consumer Price Index Change ^d	2.50%	1.76%	1.19%	6.09%	7.54%	1.55%	5.61%	3.07%
SPREAD TO PYI (Basis Points)								
Long-Term Mortgages	263	276	361	298	182	134	57	100
10-Year Treasuries	479	526	659	611	479	412	470	453
Consumer Price Index Change	508	571	755	142	(11)	636	252	532

a. A composite IRR average of all markets surveyed (excluding hotels, development land, self storage, and student housing).

b. Source: Survey; Select Commercial Funding; Commercial Loan Direct; conventional funding, 60% to 80% LTV loans; fixed rates; 6- to 30-year terms.

c. Source: Federal Reserve; the annual average change is the mean of the four corresponding quarters.

d. Source: U.S. Department of Labor; quarterly changes are annualized based on the index change from the prior quarter; the annual average change is the mean of the four corresponding quarters.

The subject's discount rate should be less than a typical land project, as the value to be determined is for a fully developed project that is available for immediate resale, and which will ultimately possess less risk than that of the total development process. Therefore, a "risk-adjusted discount rate" is deemed appropriate herein.

RealtyRates.com in their most recent Second Quarter 2023 "Developer Survey" with First Quarter 2023 data summarizes discount rates for conventionally financed (interest-only interim or construction financing) subdivisions and Planned Development Districts (PUDs) in the State of Texas. Actual Rates are historical rates achieved by survey respondents, while Pro-Forma Rates reflect forward-looking revenue and development costs. Subdivision rates do include provisions for developer's profit, i.e., profit is not treated as a line-item expense.

RealtyRates.com DEVELOPER SURVEY - 2nd Quarter 2023*						
Texas - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.05%	32.90%	22.24%	14.44%	31.58%	21.35%
-100 Units	15.05%	28.36%	21.27%	14.44%	27.23%	20.42%
100-500 Units	15.42%	31.20%	22.38%	14.80%	29.95%	21.48%
500+ Units	15.80%	32.61%	22.75%	15.17%	31.31%	21.84%
Mixed Use	16.17%	32.90%	22.57%	15.53%	31.58%	21.67%
Manufactured Housing	15.36%	35.92%	23.78%	14.75%	34.48%	22.83%
-100 Units	15.36%	31.23%	22.83%	14.75%	29.98%	21.92%
100-500 Units	15.75%	34.35%	24.05%	15.12%	32.98%	23.09%
500+ Units	16.13%	35.92%	24.46%	15.49%	34.48%	23.48%
Business Parks	15.33%	33.35%	22.61%	14.72%	32.01%	21.70%
-100 Acres	15.33%	29.00%	21.72%	14.72%	27.84%	20.85%
100-500 Acres	15.72%	31.90%	22.85%	15.09%	30.62%	21.94%
500+ Acres	16.10%	33.35%	23.24%	15.46%	32.01%	22.31%
Industrial Parks	15.41%	28.91%	20.64%	14.80%	27.75%	19.81%
-100 Acres	15.41%	25.14%	19.87%	14.80%	24.13%	19.07%
100-500 Acres	15.80%	27.65%	20.85%	15.17%	26.54%	20.02%
500+ Acres	16.18%	28.91%	21.19%	15.54%	27.75%	20.34%

*1st Quarter 2023 Data

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As shown above, the minimum actual rates in Texas be 15.05% for less than 100 units; 15.42% for 100 to 500+ units; and 15.80% for 500+ units with minimum pro-forma rates ranging from 14.44% to 15.17%.

The 7th Edition of the Dictionary of Real Estate Appraisal defines this term as “a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely, the risk associated with a project may increase near the end of its term, necessitating a special adjustment to the discount rate. Such discount rates include all of the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk”.⁴ Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has a purchaser of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an IRR that is slightly below the minimum rates provided by the RealtyRates “Developer Survey” for Texas of 15.05% for less than 100 units; 15.42% for 100 to 500+ units; and 15.80% for 500+ units with minimum pro-forma rates ranging from 14.44% to 15.17% is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject’s submarket area, we have selected a discount rate of 14% for the subject which takes into consideration the degree of risk and developer profit. It should be noted that our cash flow also deducts a straight 0.5% entrepreneurial coordination/remuneration (management cost) from all sales proceeds, which effectively increases the discount rate to approximately 14.5%. To be consistent with the timing of the cash flows, the annual income stream is discounted monthly. With each of the required elements now identified, we are able to analyze the subject in the DCF analysis as shown on the following page.

Subdivision Development Analysis – Waterscape PID, IA #4 (Phase 3B)

Based upon the preceding, and the cash flow presented on the following page, our prospective opinion of value as complete for the subject is \$10,615,000, or an overall average of \$71,723/lot.

⁴ The Dictionary of Real Estate Appraisal, 7th Edition, the Appraisal Institute, Chicago, Illinois

Waterscape PID, IA #4 (Phase 3B)

Waterscape PID, IA#4 (Phase 3B)		Prepared By: S. Sivakumar	
Royse City, TX		Number of Units: 148	
Scenario: As Complete		Periods: Monthly	
Cash Flows Beginning		May-2024	Jun-2024
Inventory		Unit Sales No.	Unit Sales No.
Average/40' Lot Price		\$70,000 7	\$70,350 7
Average/50' Lot Price		\$82,500 9	\$82,913 9
Appreciation -->		0.50%	0.50%
Revenues		\$1,232,500 16	\$1,238,663 16
Expenses		Period 1	Period 2
TAXES ON 40' DEVELOPED LOTS		\$6,767	\$5,980
TAXES ON 50' DEVELOPED LOTS		\$12,375	\$11,193
COST OF SALES 2.5%		\$30,813	\$30,967
MARKETING 0.0%		\$0	\$0
REMUNERATION 0.5%		\$6,163	\$6,193
Total Expenses		\$56,117	\$54,333
Net Income		\$1,176,383	\$1,184,330
Annual Discount Rate: 14.00%		0.98847	0.97707
Discounted Value		\$1,162,817	\$1,157,171
Net Present Value		\$10,615,455	\$10,615,455
Rounded		\$10,615,000	\$10,615,000

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Reconciliation and Conclusion of Value – Waterscape PID, IA #4 (Phase 3B)

Reconciliation involves the weighting of alternative value indications, based on the judged reliability and applicability of each approach to value, to arrive at a final value conclusion. Reconciliation is required because different value indications result from the use of multiple approaches and within the application of a single approach.

In the previous sections, we have provided an opinion of the prospective market value s complete of the fee simple interest in the subject's Improvement Area #4 using three approaches. Following is a summary of the values indicated by these approaches.

The first approach used was the sales comparison approach to value the subject property by developed lot. This approach is based on the theory of substitution and implies that a purchaser would pay no more for an individual property/lot than it would cost to buy, or build, a substitute property. This approach is the most common technique for valuing individual lots, and it is the preferred method when comparable sales are available and is considered to provide a very good indication of value.

As previously discussed, the Cost Approach is judged to be inapplicable and is not utilized.

The third approach used was the net/gross ratio approach to value. This is also sometimes known as a sales ratio study. This is a ratio study that uses sales prices as proxies for market values. In this instance we utilized market data to estimate value as a percentage of gross (or retail) sales price.

The final approach used was the subdivision development analysis (discounted cash flow analysis) utilizing a projection of the future individual lot sales, historical absorption data upon the development, and deducting taxes on the developed lots, costs of sales, marketing, and management expenses. In conclusion, the subdivision development analysis is considered to provide a generally good indication of value for the subject.

The values indicated by our analyses are as follows:

Reconciliation of Prospective Opinion of Value as Complete – Waterscape PID, IA #4 (Phase 3B)

Summary of Prospective Market Value at Completion Indications	
Net/Gross Ratio Market Value	\$10,910,000
Subdivision Development Analysis (DCF)	\$10,615,000
Final Opinion of Prospective Value	\$10,620,000

Conclusion

Based upon the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinion of value is as follows:

Value Conclusions

Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Completed	Fee Simple	May 31, 2024	\$10,620,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by Huitt-Zollars, Inc. (engineering/surveyors), HC Royse 548, LLC (owner/developer), the city of Royse City, and the Rockwall Central Appraisal District is assumed to be correct.
2. The subject is proposed construction. Therefore, this report contains a prospective opinion of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective date.
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of May 31, 2024, the effective appraisal date.
4. The value presented within this report is prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from the stated estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, these opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, the assignment participants are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on review of recent sales transactions for similar properties and analysis of supply and demand in the local land market, the probable exposure time for the subject at the concluded market value stated previously is 9 - 12 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As no significant changes in market conditions are foreseen in the near term, a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, the subject's marketing period is estimated at 9 - 12 months.

Certification

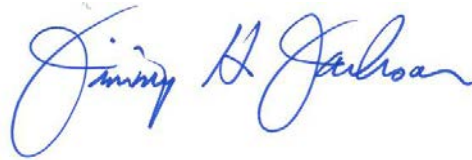
We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have previously appraised the property that is the subject of this report for another client. We have provided no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Shelley Sivakumar has made a personal inspection of the property that is the subject of this report. Jimmy H. Jackson, MAI has not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the persons signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Jimmy H. Jackson, MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.
15. As of the date of this report, Ernest Gatewood has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



Shelley Sivakumar
Director
State Licensed Real Estate Appraiser
Texas Certificate #TX 1333354 L
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Email: ssivakumar@irr.com



Jimmy H. Jackson, MAI
Senior Managing Director
Certified General Real Estate Appraiser
Texas Certificate #TX 1324004 G
Telephone: (972) 725-7724
Email: jhackson@irr.com



Ernest Gatewood
Senior Director
Certified General Real Estate Appraiser
Texas Certificate #TX 1324355 G
Telephone: (972) 725-7755
Email: egatewood@irr.com

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.

6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Dallas, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. **IRR - Dallas is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Dallas. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.**
25. IRR - Dallas is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. All information relative to the subject property including land areas, lot totals, lot sizes, and other pertinent data that was provided by Huitt-Zollars, Inc. (engineering/surveyors), HC Royse 548, LLC (owner/developer), the city of Royse City, and the Rockwall Central Appraisal District is assumed to be correct.
2. The subject is proposed construction. Therefore, this report contains a prospective opinion of value. As such, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to this prospective effective date.
3. Our opinion of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of May 31, 2024, the effective appraisal date.
4. The value presented within this report is prospective in nature. As such, we assume that local and regional lending institutions appear to remain active within the subject's market for specific projects. Therefore, we specifically assume that the financial markets will continue to function in a competitive, efficient fashion.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Addendum A

Appraiser Qualifications

Jimmy H. Jackson, MAI

Experience

Senior Managing Director with the Dallas, Lubbock/West Texas and Oklahoma City offices of Integra Realty Resources, a full-service real estate consulting and appraisal firm.

Jimmy H. Jackson, MAI has over 38 years of experience as a commercial appraiser as well as years of experience as a seasoned real estate investor. Prior to joining Integra Realty Resources, Jackson was one of the original two founding partners of Jackson Claborn, Inc. (JCI), a real estate consulting/valuation firm that was established in 1992. JCI grew to have one of the largest staffs of commercial and residential appraisers in the Southwest and has performed valuation and consulting on a vast number of commercial property types across Texas as well as the United States. Mr. Jackson holds the MAI designation and has been involved in the analysis of virtually all types of commercial and residential properties. Mr. Jackson has experience in state and federal courts as an expert witness. Testimony has involved such varied issues as bankruptcy, taxation and condemnation. Mr. Jackson has also been involved in numerous real estate developments and personal real estate investments.

A major philanthropic achievement for Mr. Jackson was consulting with and influencing family members to provide the start-up expertise as well as the seed funding in 1994 for the formation of The Parent Project for Muscular Dystrophy/PPMD (www.parentprojectmd.org). The PPMD organization has developed into a worldwide non-profit centered to provide research funds for children suffering from Duchenne Muscular Dystrophy. Since inception, the PPMD organization has directly funded more than \$50 million in direct research and assisted and helped leverage more than \$500 million of other research related to other genetic diseases through government grants and other private funding sources. In 2008, Mr. Jackson received a Humanitarian Award from Texas Gov. Rick Perry for charitable work associated with National Jewish Hospital/NJH in Denver. Mr. Jackson currently serves as a national trustee for NJH which is the #1 respiratory care hospital in the world.

Mr. Jackson graduated from Texas Tech University in 1984 with a B.B.A. in Finance with a Real Estate Emphasis. Mr. Jackson has served on numerous professional boards, including serving on the Ethics and Counseling Panel of the North Texas Chapter of the Appraisal Institute as well as serving on the Board of Directors as well as being Chair and Co-Chair of the Public Relations Committee.

As a college student, Mr. Jackson was a member of Phi Delta Theta social fraternity and the Texas Tech Finance Association. Mr. Jackson served for eight (8) years on the Advisory Board for the Jerry Rawls College of Business Administration (COBA) at Texas Tech University. Mr. Jackson has also served as a guest lecturer on real estate entrepreneurship to upper-level COBA students at Texas Tech over the years.



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Waterscape PID, IA #4 (Phase 3B)



Jimmy H. Jackson, MAI

Experience (Cont'd)

Basic Core Real Estate Appraisal Services

Feasibility Studies, Absorption Studies & Demographic Studies
Highest & Best Use Studies for All Property Types
3rd Party Appraisal Reviews
Detrimental Conditions Valuation & Consulting
Encroachment Analysis
Land Use Studies & Planning/Zoning Studies
Litigation/Litigation Support
In-Depth Market Analysis for All Property Types
Tax Assessment & Mass Appraisal Analysis
Fair & Equitable Appraisal Analysis
Right of Way Analysis Appraisals
Mediation, Arbitration, & Dispute Resolution
Portfolio Valuation & Analysis
Retrospective Valuation Opinions

Appraisal of all property types including the following:

Residential

High-Rise Condominium and Garden-Style Multi-Family and Townhome Projects
High-End Residential Property
Historical Residential Property
All types of Single-Family Appraisals (Conventional, Relocation, Unique / Historical Property)

Land

Acreage (Commercial Mixed-Use)
Subdivided Land (Mixed-Use, Commercial and Industrial)
Standard Single-Family Subdivision Lot development appraisals
PID/MUD Single-Family Subdivision Lot development appraisals

Commercial, Office & Retail

Branch Banks / Financial Building
Convenience Stores / Service Stations
Convention Center / Hotel / Resort /Motel
Office Building (High Rise, over three stories)
Office Building (Low Rise, three stories or less)
Parking Facility (Lot or Garage)
Retail (Single Tenant or Free Standing)
Shopping Center (Local, Strip, Neighborhood, Community, Etc.)
Shopping Center (Power Center, Outlet Center, Lifestyle, Etc.)
Shopping Center (Super Regional, Regional Mall)

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Jimmy H. Jackson, MAI

Experience (Cont'd)

Industrial

Industrial (Heavy (Manufacturing)
Industrial (Small Office Warehouse / Mfg.)
Industrial Light (Distribution, Storage)

Special Purpose

Automobile Dealerships
Church Facilities
Collegiate Student Housing
Self-Serve and Full-Service Car Wash Facilities
Self-Storage Facilities

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute

Licenses

Texas, Certified General Real Estate Appraiser, TX 1324004 G, Expires November 2024
Oklahoma, Certified General Real Estate Appraiser, 13279CGA, Expires September 2026
New Mexico, Certified General Real Estate Appraiser, 03819-G, Expires April 2025

Education

Mr. Jackson is a graduate of Texas Tech University where he received a Bachelor of Business Administration in Finance with a Real Estate Emphasis.

Miscellaneous

Member of Region 8 Ethics and Counseling Regional Panel (1992-1995)
Chair - Public Relations North Texas Chapter (2003, 2004)
Co-Chair - Public Relations North Texas Chapter (2005)
Board Member - North Texas Chapter (2005-2007)

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Shelley Sivakumar

Experience

Shelley Sivakumar has over 23 years of experience as a commercial appraiser representing Jackson Claborn, Inc. and later Integra Realty Resources. This extensive experience has formed a knowledge of the Texas real estate market with an understanding of the dynamics of market forces in both increasing, as well as declining markets. After graduating from the University of Texas at Dallas with a Bachelor of Science degree with a double major of Accounting/Finance, Ms. Sivakumar began her career in tax accounting. For the next 20 years, she managed a private multi-million-dollar individual asset portfolio. Since 1998, she has specialized in appraising master-planned residential developments and subdivisions including Public Improvement Districts in the Dallas/Fort Worth metroplex as well as outlying areas in Dallas, Collin, Rockwall, Ellis, Tarrant, Grayson, and Denton Counties. Ms. Sivakumar's appraisal experience also includes single and multi-tenant office/medical buildings, retail developments, industrial facilities, educational centers, religious facilities, townhome developments, right-of-ways (road), as well as vacant land.

In her spare time, Ms. Sivakumar enjoys equestrian riding and working out. She has competed in the 100-mile "Hotter'N Hell Hundred bike ride, one of the oldest and largest cycling events in the nation held in Wichita Falls, Texas every August.

Licenses

Texas, Licensed Residential Real Estate Appraiser, 1333354-L, Expires February 2026

Education

University of Texas at Dallas, Dallas, Texas: Bachelor of Science 1978
University of North Texas, Denton, Texas 1977
Marshall University, Huntington, West Virginia: Associate of Science 1974

Appraisal Institute Courses
A Review of Disciplinary Cases
Workfile Documentation for Appraisers
Basic Appraisal Procedures
General Appraiser Market Analysis Highest and Best Use
General Appraiser Sales Comparison Approach
General Report Writing and Case Studies
A Review of Disciplinary Cases
Workfile Documentation for Appraisers
Appraising Residential Properties
Income Property Appraisal
Real Estate Appraisal
Basic Income Capitalization

Appraisal Math & Statistics
Owner-Occupied Commercial Properties
Residential Report Writing
Modern Green Building Concepts
Ad Valorem Tax Consultation

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Shelley Sivakumar

Education (Cont'd)

The Dirty Dozen
Essential Elements of Disclosure & Disclaimer
Land & Site Valuation
Commercial Clients Want Appraisers to Know

Market Analysis/STDB
USPAP
Expert Witness for Commercial Appraisers
General Appraiser Site Valuation
& Cost Approach
Commercial Appraisal Review
Fair Housing, Bias & Discrimination
Market Analysis/STDB
USPAP
Environmental Issues
Texas Real Estate Contracts
Texas Real Estate Agency
Modern Real Estate Practice in Texas
Statistics, Modeling and Finance
General Appraiser Income Approach
Market Disturbances in Atypical Markets & Cycles

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Waterscape PID, IA #4 (Phase 3B)



Ernest Gatewood

Experience

Senior Director PID/MUD/SF Lot Development Valuation Specialist with the Dallas office of Integra Realty Resources DFW, a full-service real estate consulting and appraisal firm.

Mr. Gatewood has been in the appraisal field for over 40 years. This extensive experience has formed knowledge of the Texas real estate market as well as select areas throughout the entire United States. This experience has formed an understanding of the dynamics of market forces in both increasing, as well as declining markets. Mr. Gatewood began his appraisal career in 1980 at Crosson Dannis, Inc. where he spent 10 years specializing in master-planned communities. Mr. Gatewood's appraisals were utilized in the funding of Legacy Business Park in Plano, Texas as well as Stonebridge Ranch in McKinney, Texas. In 1991, Mr. Gatewood joined Heartland (Seattle, Washington) as Acquisitions Director for Texas. In this role, Mr. Gatewood was key to the development of several single-family subdivisions, a property type which he still specializes into this day. From 1992 until 2017, Mr. Gatewood represented Jackson Claborn, Inc. as the Vice President of the Commercial Division where he has helped manage the production of the commercial appraisal practice which has enhanced JCI's strong commitment to client services.

Mr. Gatewood has experience in appraising commercial, industrial, multifamily, and investment-grade real property and related tangible assets to provide opinions of value for purposes of mortgage lending, sale or purchase, financial reporting, federal tax, capital lease testing, litigation support, allocation of purchase price, estate tax planning/settlement, ad valorem taxation, property exchange, internal planning, and partial taking/just compensation by eminent domain agencies.

Property types include vacant land, agricultural land, rights of way (road and pipeline), shopping centers, single-tenant retail buildings, CBD and suburban office projects, air rights, truck terminals, light industrial facilities, heavy manufacturing plants, corporate headquarters, hospitals, surgery centers, medical office buildings, self-storage facilities, religious facilities, hotels, mixed-use developments, apartment projects, convenience stores, and single-family subdivision analyses.

Licenses

Texas, Certified General Real Estate Appraiser, TX 1324355 G, Expires December 2024

Texas, Licensed Real Estate Salesman, 277705, Expires December 2023

Education

Richland Junior College, Dallas, Texas

The University of North Texas, Denton, Texas

Miscellaneous

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Waterscape PID, IA #4 (Phase 3B)





About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

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Addendum B

IRR Quality Assurance Survey

IRR Quality Assurance Survey

We welcome your feedback!

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

Integra Quality Control Team

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: quality.irr.com

Addendum C

Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022), unless otherwise noted.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analysis, opinions, and conclusions apply; also referred to as *date of value*. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect.

Entitlement

In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

Entrepreneurial Incentive

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project.

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovation change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.
2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)

3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

Lease

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time

An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal.

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

Definition of Aggregate of Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Bulk Sale

The sale of multiple parcels of real estate to one buyer in one transaction. A bulk sale may include dissimilar properties in different locations or a group of lots or units in the same project. Typically, the bulk sale price is less than the sum of the values of the individual parcels.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Development Procedure

In land valuation, a technique for valuing undeveloped acreage that involves discounting the cost of development and the probable proceeds from the sale of developed sites.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Subdivision Development Method

A method of estimating land value when subdividing and developing a parcel of land is the highest and best use of that land. When all direct and indirect costs and entrepreneurial incentive are deducted from an estimate of the anticipated gross sales price of the finished lots (or the completed improvements on those lots), the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the land.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Allocation

1) The process of separating the contributory value of a component or part of an asset from the total value of the asset. 2) A method of estimating land value in which sales of improved properties are analyzed to establish a typical ratio of land value to total property value and this ratio is applied to the property being appraised or the comparable sale being analyzed.”

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Extraction

1) A method of estimating land value in which the depreciated cost of the improvements on an improved property is calculated and deducted from the total sale price to arrive at an estimated sale price for the land. 2) A method of deriving capitalization rates from property sales when sale price and net operating income are known.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Residual

The quantity left over; in appraising, a term used to describe the result of an appraisal procedure in which known components of value are accounted for, thus solving for the quantity that is left over, such as land residual or building residual.

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois, 2022)

Addendum D

Property Information

Tax Data

PID 12863 | CRENSHAW RD

Property Summary Report | 2023
Online Services | ROCKWALL COUNTY APPRAISAL DISTRICT

GENERAL INFO

ACCOUNT

Property ID: 12863
Geographic ID: 0218-0000-0004-01-0R
Type: R
Zoning:
Agent: RYAN LLC - DALLAS
Legal Description: ABS A0218, S C WRIGHT, TRACT 4-1,
93.22 ACRES
Property Use: D1

OWNER

Name: HC ROYSE 548 LLC
Secondary Name:
Mailing Address: 8200 DOUGLAS SUITE 300 DALLAS, TX
75225
Owner ID: 1106046
% Ownership: 100.00
Exemptions:

LOCATION

Address: CRENSHAW RD

Market Area:
Market Area CD: N0149-2017
Map ID: 5-5

PROTEST

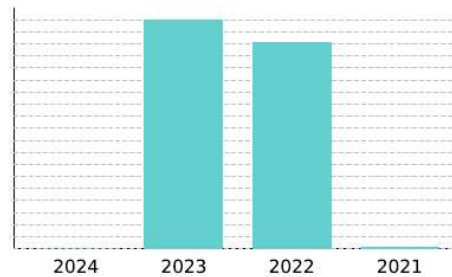
Protest Status:
Informal Date:
Formal Date:

VALUES

CURRENT VALUES

Land Homesite:	\$0
Land Non-Homesite:	\$1,901,688
Special Use Land Market:	\$0
Total Land:	\$1,901,688
Improvement Homesite:	\$0
Improvement Non-Homesite:	\$0
Total Improvement:	\$0
Market:	\$1,901,688
Special Use Exclusion (-):	\$0
Appraised:	\$1,901,688
Value Limitation Adjustment (-):	\$0
Net Appraised:	\$1,901,688

VALUE HISTORY



Values for the current year are preliminary and are subject to change.

VALUE HISTORY

Year	Land Market	Improvement	Special Use Exclusion	Appraised	Value Limitation Adj (-)	Net Appraised
2024	N/A	N/A	N/A	N/A	N/A	N/A
2023	\$1,901,688	\$0	\$0	\$1,901,688	\$0	\$1,901,688
2022	\$1,711,520	\$0	\$0	\$1,711,520	\$0	\$1,711,520
2021	\$1,468,220	\$0	\$1,453,550	\$14,670	\$0	\$14,670

TAXING UNITS

Unit	Description	Tax Rate	Net Appraised	Taxable Value
CRC	CITY OF ROYSE CITY	0.584000	\$1,901,688	\$1,901,688
GRW	ROCKWALL COUNTY	0.276000	\$1,901,688	\$1,901,688
SRC	ROYSE CITY ISD	1.257500	\$1,901,688	\$1,901,688
TIRZ1	ROYSE CITY TAX INCREMENT REINVESTMENT	0.000000	\$1,901,688	\$1,901,688
WSIA3	WATERSCAPE IMPROVEMENT AREA #3	0.000000	\$1,901,688	\$1,901,688

DO NOT PAY FROM THIS ESTIMATE. This is only an estimate provided for informational purposes and may not include any special assessments that may also be collected. Please contact the tax office for actual amounts.

IMPROVEMENT

LAND

Land	Description	Acres	SQFT	Cost per SQFT	Market Value	Special Use Value
C1	VACANT LT/TR NON WF	93.2200	4,060,663	\$0.47	N/A	N/A

DEED HISTORY

Deed Date	Type	Description	Grantor/Seller	Grantee/Buyer	Book ID	Volume	Page	Instrument
4/6/21	WD	WARRANTY DEED	PARKER CREEK ESTATES LP	HC ROYSE 548 LLC		20210000008	458	
2/13/03	WD	WARRANTY DEED	SHEFFIELD PROPERTIES INC	PARKER CREEK ESTATES LP			2855	252
9/22/97	WD	WARRANTY DEED	OS HOLDINGS INC	SHEFFIELD PROPERTIES INC		1281	190	0
2/7/96	WD	WARRANTY DEED	ALBERS JOHN R	OS HOLDINGS INC		1086	062	0
3/23/92	QC	QUIT CLAIM DEED	ALBERS JOHN R	ALBERS JOHN R		678	204	0
4/16/87	TD	TRUSTEE DEED	HOMESTEAD EST INC	ALBERS JOHN R		319	80	0
11/2/84	OT		PEARSON BILL TRUSTEE	HOMESTEAD EST INC		212	42	0
6/22/84	OT			PEARSON BILL TRUSTEE		200	568	0

Legal Description

WHEREAS HC Royse 548, LLC are the owner of a tract of land situated in the S.C. Wright Survey, Abstract No. 218, Rockwell County, Texas, and being a portion of that certain tract of land described as being 310.095 acres in instrument to Parker Creek Estates, L.P., as recorded in Volume 2855, Page 252 of the Official Public Records of Rockwall County, Texas, (O.P.R.R.C.T.), and a portion of that certain tract of land described as being 10.000 acres in instrument to Parker Creek Estates, L.P., as recorded under Document No. 20160000015014, Document No. 20170000021667, Document No. 201700000216667, Document No. 20170000021668, and Document No. 20170000021669, O.P.R.R.C.T. and being more particularly described as follows:

COMMENCING at a 3/8 inch iron rod found at the east corner of said 10.000-acre tract, said point being in the existing gravel roadway of Crenshaw Road and being on the southwesterly line of a 30-foot wide donation for road right-of-way of Crenshaw Road as described in instrument to the State of Texas as recorded in Volume 750, Page 187, O.P.R.R.C.T.;

THENCE South 43 degrees 48 minutes 12 seconds West (Record: South 44 degrees 59 minutes 43 seconds West) along the southeasterly line of said 10.000-acre Parker Creek Estates LP tract, a distance of 40.00 feet to the POINT OF BEGINNING;

THENCE South 43 degrees 48 minutes 12 seconds West (Record: South 44 degrees 48 minutes 12 seconds West) continuing along the southeasterly line of said 10.000-acre tract, a distance of 1,050.58 feet to a point for corner;

THENCE departing the southeasterly line of said 10.000-acre Parker Creek Estates LP tract and continuing over and across the said Parker Creek Estates LP tracts the following courses:

North 46 degrees 11 minutes 48 seconds West a distance of 15.00 feet to a point for corner;

South 88 degrees 48 minutes 12 seconds West a distance of 14.14 feet to a point for corner;

North 46 degrees 11 minutes 48 seconds West a distance of 90.00 feet to a point for corner;

North 01 degree 11 minutes 48 seconds West a distance of 14.14 feet to a point for corner;

North 43 degrees 48 minutes 12 seconds East a distance of 10.00 feet to a point for corner;

North 46 degrees 11 minutes 48 seconds West a distance of 50.00 feet to a point for corner;

North 43 degrees 48 minutes 12 seconds East a distance of 113.21 feet to a point for corner;

North 46 degrees 11 minutes 48 seconds West a distance of 220.00 feet to a point for corner;

North 47 degrees 51 minutes 02 seconds West a distance of 106.59 feet to a point for corner;

North 55 degrees 07 minutes 26 seconds West a distance of 110.26 feet to a point for corner;

North 60 degrees 40 minutes 14 seconds West a distance of 109.74 feet to a point for corner;

North 61 degrees 43 minutes 26 seconds West a distance of 133.63 feet to a point for corner;

North 45 degrees 25 minutes 48 seconds West a distance of 47.86 feet to a point for corner, said point being the beginning of a non-tangent curve to the right having a central angle of 5 degrees 49 minutes 34 seconds, a radius of 661.00 feet and being subtended by a 67.18 -foot chord which bears South 47 degrees 28 minutes 58 seconds West;

Continuing along said curve to the right an arc distance of 67.21 feet to a point of reverse curvature of a curve to the left having a central angle of 16 degrees 10 minutes 58 seconds, a radius of 225.00 feet and being subtended by a 63.34-foot chord which bears South 42 degrees 18 minutes 16 seconds West;

Continuing along said curve to the left, an arc distance of 63.55 feet to a point for corner at the end of said curve;

North 55 degrees 47 minutes 12 seconds West a distance of 50.00 feet to a point for corner, said point being the beginning of a non-tangent curve to the left having a central angle of 4 degrees 02 minutes 00 seconds, a radius of 275.00 feet and being subtended by a 19.35-foot chord which bears South 32 degrees 11 minutes 48 seconds West;

Continuing along said curve to the left, an arc distance of 19.36 feet to a point for corner at the end of said curve;

South 73 degrees 30 minutes 56 seconds West a distance of 14.29 feet to a point for corner, said point being the beginning of a non-tangent curve to the right having a central angle of 21 degrees 10 minutes 32 seconds, a radius of 325.00 feet and being subtended by a 119.43-foot chord which bears North 50 degrees 42 minutes 59 seconds West;

Continuing along said curve to the right, an arc distance of 120.11 feet to a point for corner at the end of said curve;

North 06 degrees 51 minutes 17 seconds East a distance of 13.87 feet to a point for corner;

North 37 degrees 02 minutes 36 seconds West a distance of 15.00 feet to a point for corner;

North 80 degrees 56 minutes 29 seconds West a distance of 13.87 feet to a point for corner, said point being the beginning of a non-tangent curve to the right having a central angle of 5 degrees 37 minutes 33 seconds, a radius of 325.00 feet and being subtended by a 31.90-foot chord which bears North 31 degrees 08 minutes 42 seconds West;

Continuing along said curve to the right, an arc distance of 31.91 feet to the end of said curve;

North 28 degrees 19 minutes 56 seconds West a distance of 69.59 feet to a point for corner;

North 16 degrees 40 minutes 04 seconds East a distance of 14.14 feet to a point for corner;

North 61 degrees 40 minutes 04 seconds East a distance of 26.79 feet to the beginning of a curve to the left having a central angle of 32 degrees 00 minutes 23 seconds, a radius of 375.00 feet and being subtended by a 206.77 foot chord which bears North 45 degrees 39 minutes 52 seconds East;

Continuing along said curve to the left, an arc distance of 209.48 feet to a point for corner at the end of said curve;

North 72 degrees 56 minutes 33 seconds East a distance of 14.38 feet to a point for corner;

North 28 degrees 07 minutes 39 seconds East a distance of 15.00 feet to a point for corner;

North 19 degrees 46 minutes 57 seconds West a distance of 14.59 feet to a point for corner, said point being the beginning of a non-tangent curve to the left having a central angle of 0 degrees 45 minutes 22 seconds, a radius of 375.00 feet and being subtended by a 4.95-foot chord which bears North 23 degrees 56 minutes 07 seconds East;

Continuing along said curve to the left, an arc distance of 4.95 feet to the end of said curve;

North 23 degrees 33 minutes 26 seconds East a distance of 510.39 feet to the beginning of a curve to the right having a central angle of 19 degrees 36 minutes 04 seconds, a radius of 575.00 feet and being subtended by a 195.75-foot chord which bears North 33 degrees 21 minutes 28 seconds East;

Continuing along said curve to the right, an arc distance 196.71 feet to a point for corner at the end of said curve;

North 88 degrees 35 minutes 41 seconds East a distance of 14.12 feet to a point for corner;

South 46 degrees 24 minutes 19 seconds East a distance of 10.53 feet to a point for corner;

North 43 degrees 33 minutes 19 seconds East a distance of 50.00 feet to a point for corner;

North 46 degrees 24 minutes 19 seconds West a distance of 10.49 feet to a point for corner;

North 01 degrees 24 minutes 19 seconds West a distance of 14.14 feet to a point for corner;

North 43 degrees 35 minutes 41 seconds East a distance of 105.00 feet to a point for corner;

North 88 degrees 35 minutes 41 seconds East a distance of 28.28 feet to a point for corner;

South 46 degrees 24 minutes 19 seconds East along a line being parallel with and 40.00 feet southwesterly of the northeast line of said Parker Creek Estates LP tracts, a distance of 1,395.30 feet to the POINT OF BEGINNING and CONTAINING 1,344,482 square feet or 30.87 acres of land, more or less.

Addendum E

Comparable Data

Land Sales - 40' Frontage Lots

Location & Property Identification

Property Name: Creekside, Phase 2B - 40' Lots

Sub-Property Type: Residential, Single Family Residence Site

Address: North side of SH-66, southwest of FM-2642

City/State/Zip: Royse City, TX 75189

County: Collin

Submarket: RoyseCity

Market Orientation: Suburban

IRR Event ID: 3198353



Sale Information

Sale Price: \$70,000

Effective Sale Price: \$70,000

Sale Date: 04/30/2024

Sale Status: In-Contract

\$/Acre(Gross): \$693,069

\$/Land SF(Gross): \$15.91

\$/Unit (Potential): \$1,750 /Unit

Grantor/Seller: HT Hwy 66 Development LP

Grantee/Buyer: UnionMain Homes LLC

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale Comments: On a takedown basis, the base lot price is \$70,000/lot for substantial completion expected by April 2024. The contract gives the option to acquire 56 lots in bulk at \$65,100/lot.

Document Type: Contract of Sale

Verified By: Shelley Sivakumar

Verification Date: 02/06/2024

Confirmation Source: Matt Ledlie @hines.com

Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Creekside, Phase 2B/ 40' lots

Acres(Gross): 0.10

Land-SF(Gross): 4,400

No. of Units (Potential): 40

Shape: Rectangular

Topography: Level

Frontage Feet: 40

Frontage Desc.: 40' x 110'

Zoning Code: Development Agreement

Zoning Desc.: Development Agreement

Flood Plain: No

Utilities: Water Public, Sewer

Utilities Desc.: Creekside Public Improvement District

Source of Land Info.: Engineering Report

Comments

Lots in this development are located within the Creekside PID, IA #2 (Phase 2B) in the Royse City ISD.

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name: Solterra, Phase 1A - 40' lots
Sub-Property Type: Residential, Single Family Residence Site
Address: Southwest corner of Faithon P Lucas Sr Boulevard and E Cartwright Road
City/State/Zip: Mesquite, TX 75181
County: Dallas
Submarket: Mesquite
Market Orientation: Suburban
IRR Event ID: 2641986



Sale Information

Sale Price: \$66,500
Effective Sale Price: \$66,500
Sale Date: 02/21/2023
Sale Status: Closed
\$/Acre(Gross): \$603,448
\$/Land SF(Gross): \$13.85
\$/Acre(Usable): \$603,448
\$/Land SF(Usable): \$13.85
\$/Unit (Potential): \$1,663 /Unit
Grantor/Seller: Lucas Farms Joint Venture
Grantee/Buyer: Chesmar Homes LLC
Property Rights: Fee Simple
Financing: Cash to seller

Terms of Sale Comments:

The base lot price was set at \$66,500/lot (\$1,663/FF) in March 2020 for substantial completion in 1Q2023. Lots are contracted with an annual 7.0% escalation, a \$2,500/lot amenity fee, marketing fee of \$2,000 per lot, natural gas fee of \$650 and cluster mailbox fee of \$300.

Document Type: Deed
Recording No.: 202300032834
Verified By: Shelley Sivakumar
Verification Date: 09/13/2023
Confirmation Source: Jeff Winker (Huffines Communities)
Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Solterra, Phase 1A, Block AA, Lot 20/Tax ID 38194550AA0200000

Solterra, Phase 1A - 40' lots



Improvement and Site Data (Cont'd)

Acres(Usable/Gross):	0.11/0.11
Land-SF(Usable/Gross):	4,800/4,800
Usable/Gross Ratio:	1.00
No. of Units (Potential):	40
Shape:	Rectangular
Topography:	Level
Frontage Feet:	40
Frontage Desc.:	40' x 120'
Zoning Code:	Development Agreement
Zoning Desc.:	Development Agreement
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

This master-planned development (Solterra) is located in the Mesquite ISD. There are two additional home builders at the above stated pricing (HMH Homes and Impression Homes).

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Tillage Farms (Proposed) - 40' Lots
Sub-Property Type:	Residential, Single Family Residence Site
Address:	Northwest corner of CR-437 and FM-982
City/State/Zip:	Princeton, TX 75407
County:	Collin
Submarket:	Princeton
Market Orientation:	Suburban
IRR Event ID:	2912740



Sale Information

Sale Price:	\$70,656
Effective Sale Price:	\$70,656
Sale Date:	02/15/2024
Sale Status:	In-Contract
\$/Acre(Gross):	\$669,091
\$/Land SF(Gross):	\$15.36
\$/Unit (Potential):	\$1,766 /Unit
Grantor/Seller:	TCL Land Bk 3 (2022) LP
Grantee/Buyer:	Lennar Homes of Texas Land and Construction Ltd.
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale Comments:	The base lot price was set at \$70,656/lot for substantial completion in February 2024 with an annual 6% escalation.
Document Type:	Contract of Sale
Verified By:	Shelley Sivakumar
Verification Date:	08/30/2022
Confirmation Source:	Greg Urech (469-587-5335)
Verification Type:	Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID:	W. W. Bell Survey, Abstract No. 37/Tax ID 2812497 and 2120386 (as vacant land)
Acres(Gross):	0.11
Land-SF(Gross):	4,600
No. of Units (Potential):	40
Shape:	Rectangular
Topography:	Level
Frontage Desc.:	40' x 115'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Comments

Lots in this proposed development are located in the Princeton ISD. The lots are designed for front access. Home prices are projected to range from \$285,000 to \$355,000.

Tillage Farms (Proposed) - 40' Lots



Land Sales - 50' Frontage Lots

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name: Liberty Crossing, Phase 1 - 50' Lots

Sub-Property Type: Residential, Finished SFR Lots

Address: Southwest corner of E. Old Greenville Road and Cemetery Road

City/State/Zip: Royse City, TX 75189

County: Rockwall

Submarket: RoyseCity

Market Orientation: Suburban

Property Location: East side of Kansas Street

IRR Event ID: 3047615



Sale Information

Sale Price: \$75,000

Effective Sale Price: \$75,000

Sale Date: 10/13/2023

Sale Status: Closed

\$/Acre(Gross): \$544,662

\$/Land SF(Gross): \$12.50

\$/Unit (Potential): \$1,500 /Unit

Grantor/Seller: Liberty Crossing Land, LLC

Grantee/Buyer: DR Horton -Texas LTD

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale Comments: This lot sale is part of a bulk sale of 38 lots at \$75,000/lot (\$1,500/FF) at substantial completion in October 2023.

Document Type: Deed

Recording No.: 20230000017317

Verified By: Shelley Sivakumar

Verification Date: 12/08/2023

Confirmation Source: Pfilip Hunt (972-834-3472)

Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Liberty Crossing, Phase 1, Lot 31, Block H/Tax ID 332944

Acres(Gross): 0.14

Land-SF(Gross): 6,000

No. of Units (Potential): 50

Shape: Rectangular

Topography: Level

Frontage Feet: 50

Frontage Desc.: 50' x 120'

Zoning Code: PD

Zoning Desc.: Planned Development

Flood Plain: No

Utilities: Water Public, Sewer

Utilities Desc.: Liberty Crossing Public Improvement District

Source of Land Info.: Engineering Report

Comments

Lots in this development are located in a public improvement district. Lots are located in the Royse City ISD.

Liberty Crossing, Phase 1 - 50' Lots



Comments (Cont'd)

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name: Solterra, Phase 1A - 50' lots
Sub-Property Type: Residential, Single Family Residence Site
Address: Southwest corner of Faithon P Lucas Sr Boulevard and E Cartwright Road
City/State/Zip: Mesquite, TX 75181
County: Dallas
Submarket: Mesquite
Market Orientation: Suburban
IRR Event ID: 2642006



Sale Information

Sale Price: \$77,000
Effective Sale Price: \$77,000
Sale Date: 02/21/2023
Sale Status: Closed
\$/Acre(Gross): \$559,187
\$/Land SF(Gross): \$12.83
\$/Acre(Usable): \$559,187
\$/Land SF(Usable): \$12.83
\$/Unit (Potential): \$1,540 /Unit
Grantor/Seller: Lucas Farms Joint Venture
Grantee/Buyer: Chesmar Homes LLC
Property Rights: Fee Simple
Financing: Cash to seller

Terms of Sale Comments:

The base lot price was contracted at \$77,000/lot (\$1,540/FF) in March 2020 for substantial completion in 1Q2023. The lots are contracted with an annual 7.0% escalation, a \$2,500/lot amenity fee, marketing fee of \$2,000 per lot, natural gas fee of \$650 and cluster mailbox fee of \$300.

Document Type: Deed
Recording No.: 202300032834
Verified By: Shelley Sivakumar
Verification Date: 09/13/2023
Confirmation Source: Jeff Winker (Huffines Communities)
Verification Type: Confirmed-Seller

Improvement and Site Data

Solterra, Phase 1A - 50' lots



Improvement and Site Data (Cont'd)

Legal/Tax/Parcel ID:	Solterra, Phase 1A, Block W, Lot 42/Tax ID 381945500W0420000
Acres(Usable/Gross):	0.14/0.14
Land-SF(Usable/Gross):	6,000/6,000
Usable/Gross Ratio:	1.00
No. of Units (Potential):	50
Shape:	Rectangular
Topography:	Level
Frontage Feet:	50
Frontage Desc.:	50' x 120'
Zoning Code:	Development Agreement
Zoning Desc.:	Development Agreement
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Engineering Report

Comments

This master-planned development (Solterra) is located in the Mesquite ISD. There are four additional home builders at the above stated pricing (Castle Rock Homes, First Texas Homes, Gehan Homes and Highland Homes).

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name: Monterra, Phase 1A - 50' Lots

Sub-Property Type: Residential, Single Family Residence Site

Address: West side of Ben Payne Road, north of W. Holiday Road (SH-66)

City/State/Zip: Fate, TX 75087

County: Rockwall

Submarket: Rockwall

Market Orientation: Suburban

Property Location: 1307 Bay Laurel Road

IRR Event ID: 2735700



Sale Information

Sale Price: \$72,500

Effective Sale Price: \$72,500

Sale Date: 09/11/2023

Sale Status: Closed

\$/Acre(Gross): \$526,507

\$/Land SF(Gross): \$12.08

\$/Unit (Potential): \$1,450 /Unit

Grantor/Seller: WJ Monterra LP

Grantee/Buyer: Weekley Homes, LLC

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale Comments: The base lot price was set at \$72,500/lot (\$1,450/FF) for substantial completion in September 2023. Escalation is prime plus 1% with a floor of 6%.

Document Type: Deed

Recording No.: 20230000015234

Verified By: Shelley Sivakumar

Verification Date: 09/13/2023

Confirmation Source: Frank Murphy (214-880-8792)

Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Monterra, Phase 1A, Block F, Lot 10/Tax ID 331992

Acres(Gross): 0.14

Land-SF(Gross): 6,000

No. of Units (Potential): 50

Shape: Rectangular

Topography: Level

Frontage Feet: 50

Frontage Desc.: 50' x 120'

Zoning Code: PD/Development Agreement

Zoning Desc.: PD/Development Agreement

Flood Plain: No

Utilities: Water Public, Sewer

Utilities Desc.: Monterra PID

Source of Land Info.: Engineering Report

Comments

This development is located in the Monterra Public Improvement District. Phase 1 is being developed with 310 lots on 92.860 acres with 50', 60', and 70' lots. All of the

Monterra, Phase 1A - 50' Lots



Comments (Cont'd)

lots are contracted at \$1,450/FF. This development is located in the Rockwall ISD.

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name: Creekside, Phase 2B - 50' Lots

Sub-Property Type: Residential, Single Family Residence Site

Address: North side of SH-66, southwest of FM-2642

City/State/Zip: Royse City, TX 75189

County: Collin

Submarket: RoyseCity

Market Orientation: Suburban

IRR Event ID: 3198358



Sale Information

Sale Price: \$83,750

Effective Sale Price: \$83,750

Sale Date: 04/30/2024

Sale Status: In-Contract

\$/Acre(Gross): \$663,104

\$/Land SF(Gross): \$15.23

\$/Unit (Potential): \$1,675 /Unit

Grantor/Seller: HT Hwy 66 Development LP

Grantee/Buyer: Rockwell TX, LLC

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale Comments: The base lot price was set at \$83,750/lot on a takedown basis for substantial completion expected by April 2024. Annual appreciation is set at 6%.

Document Type: Contract of Sale

Verified By: Shelley Sivakumar

Verification Date: 02/06/2024

Confirmation Source: Matt.Ledlie@hines.com

Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Creekside, Phase 2B/ 50' lots

Acres(Gross): 0.13

Land-SF(Gross): 5,500

No. of Units (Potential): 50

Shape: Rectangular

Topography: Level

Frontage Feet: 50

Frontage Desc.: 50' x 110'

Zoning Code: Development Agreement

Zoning Desc.: Development Agreement

Flood Plain: No

Utilities: Water Public, Sewer

Utilities Desc.: Creekside Public Improvement District

Source of Land Info.: Engineering Report

Comments

Lots in this development are located within the Creekside PID, IA #2 in the Royse City ISD. This homebuilder is RockWell-Homes.

Creekside, Phase 2B - 50' Lots



