LIMITED OFFERING MEMORANDUM DATED SEPTEMBER 25, 2024

NEW ISSUE **NOT RATED**

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

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS." See "TAX MATTERS – Tax Exemption" for a discussion of Bond Counsel's opinion.

$11,549,000
CITY OF OAK POINT, TEXAS,
(a municipal corporation of the State of Texas located in Denton County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

Interest to Accrue from Delivery Date (defined below) **Due: September 15, as shown on the inside cover**

The City of Oak Point, Texas, Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Project) (the "Bonds"), are being issued by the City of Oak Point, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $100,000 of principal amount and any integral multiple of $1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 15 and September 15, commencing March 15, 2025, until maturity or earlier redemption. The 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 Wilmington Trust, National Association, as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

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

Proceeds of the Bonds will be used for the purposes of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Improvement Area #1 Improvements, and other costs related to the issuance of the Bonds. See "THE IMPROVEMENT AREA #1 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 and prior lien on the Trust Estate, consisting primarily of Assessments levied against Assessed Property located within Improvement Area #1 of the District in accordance with the Service and Assessment Plan, and other assets comprising the Trust Estate, all to the extent and upon the conditions described in the Indenture. The Bonds are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS." The Bonds are subject to redemption at the times, in the amounts, and at the redemption price more fully described herein under the subcaption "DESCRIPTION OF THE BONDS – Redemption Provisions."

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

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM A FIRST AND PRIOR LIEN ON THE PLEDGED REVENUES AND OTHER ASSETS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY ASSETS OF THE CITY OTHER THAN THE 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 ASSETS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER ASSETS COMPRISING THE TRUST ESTATE. SEE "SECURITY FOR THE BONDS."

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by FMSbonds, Inc. (the "Underwriter"), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX D – Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the City by its counsel, Brown & Hofmeister, L.L.P., for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Developer by its corporate counsel Locke Lord LLP. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about October 17, 2024 (the "Delivery Date").

FMSbonds, Inc.
Municipal Bond Specialists

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

CUSIP Prefix: 67176T [(a)]

$11,549,000
CITY OF OAK POINT, TEXAS,
(a municipal corporation of the State of Texas located in Denton County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

$1,238,000 4.250% Term Bonds, Due September 15, 2031, Priced to Yield 4.300% CUSIP Suffix: AY9[(a)(c)]

$4,302,000 5.100% Term Bonds, Due September 15, 2044, Priced to Yield 5.100% CUSIP Suffix: AZ6[(a)(b)(c)]

$6,009,000 5.250% Term Bonds, Due September 15, 2054, Priced to Yield 5.320% CUSIP Suffix: BA0[(a)(b)(c)]

(a) CUSIP numbers are included solely for the convenience of Owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City's Financial Advisor, or the Underwriter takes any responsibility for the accuracy of such numbers.

(b) The Bonds maturing on and after September 15, 2044, are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on and after September 15, 2034, 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 OAK POINT, TEXAS,

CITY COUNCIL

Name	Place	Term Expires (May)
Dena Meek	Mayor	2025
Scott Dufford	Mayor Pro Tem	2026
Dave Klewicki	Deputy Mayor Pro Tem	2025
Paul Bastaich	Councilmember	2025
John Lusk	Councilmember	2026
Greg Weiler	Councilmember	2025
Kirk Hawrysio	Councilmember	2026

CITY MANAGER	**FINANCE MANAGER**	**CITY SECRETARY**
Stephen Ashley	Donna Boner	Joni Vaughn

PID ADMINISTRATOR
P3Works, LLC

FINANCIAL ADVISOR TO THE CITY
Hilltop Securities, Inc.

BOND COUNSEL
Norton Rose Fulbright US LLP

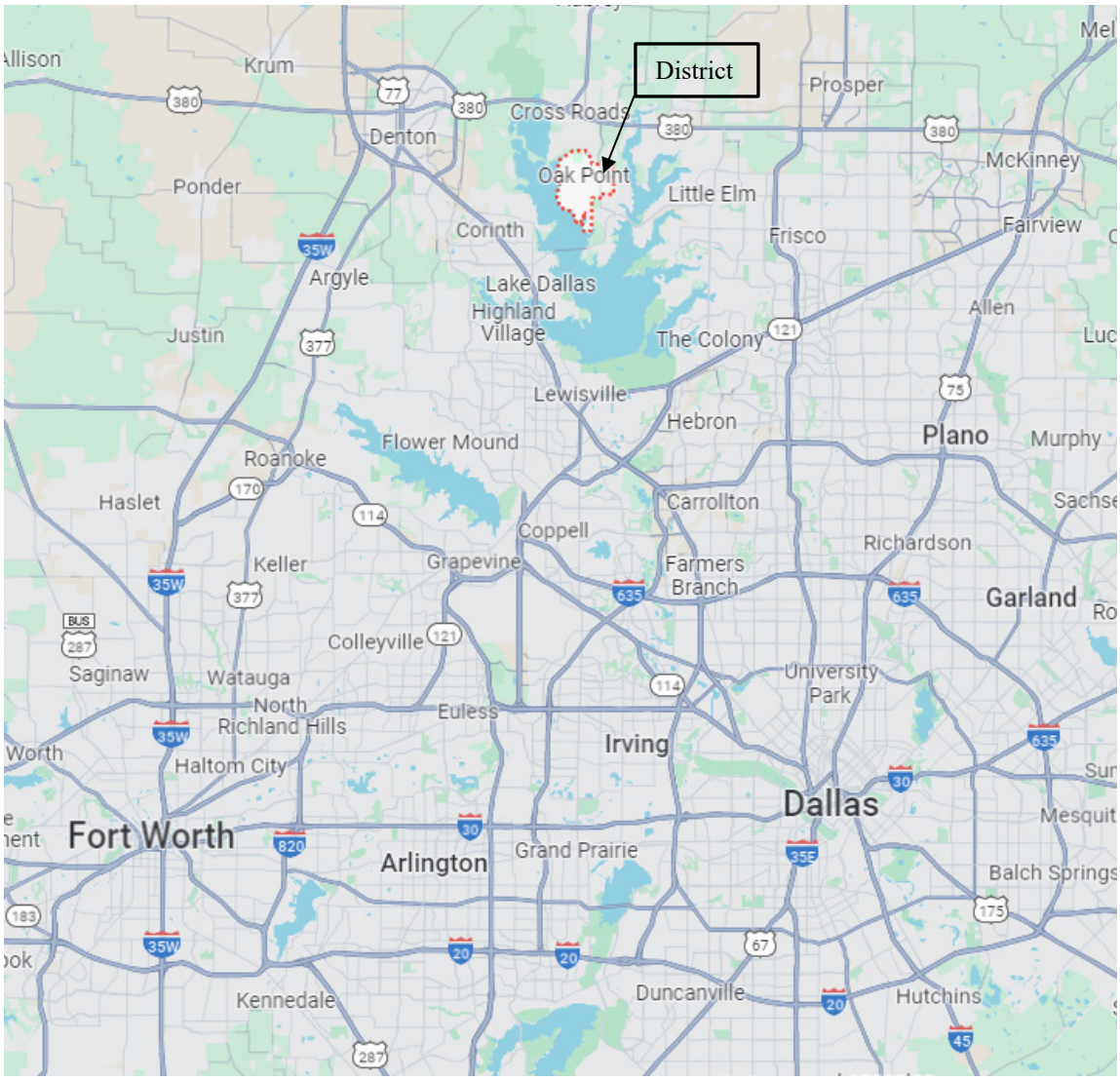
UNDERWRITER'S COUNSEL
Orrick, Herrington & Sutcliffe LLP

For additional information regarding the City, please contact:

Stephen Ashley
City Manager
100 Naylor Road
Oak Point, TX 75068
Phone: 972-294-2312
sashley@oakpointtexas.com

Jason Hughes
Hilltop Securities, Inc.
717 N. Harwood St., Suite 3400
Dallas, TX 75201
(214) 953-8707
jason.hughes@hilltopsecurities.com

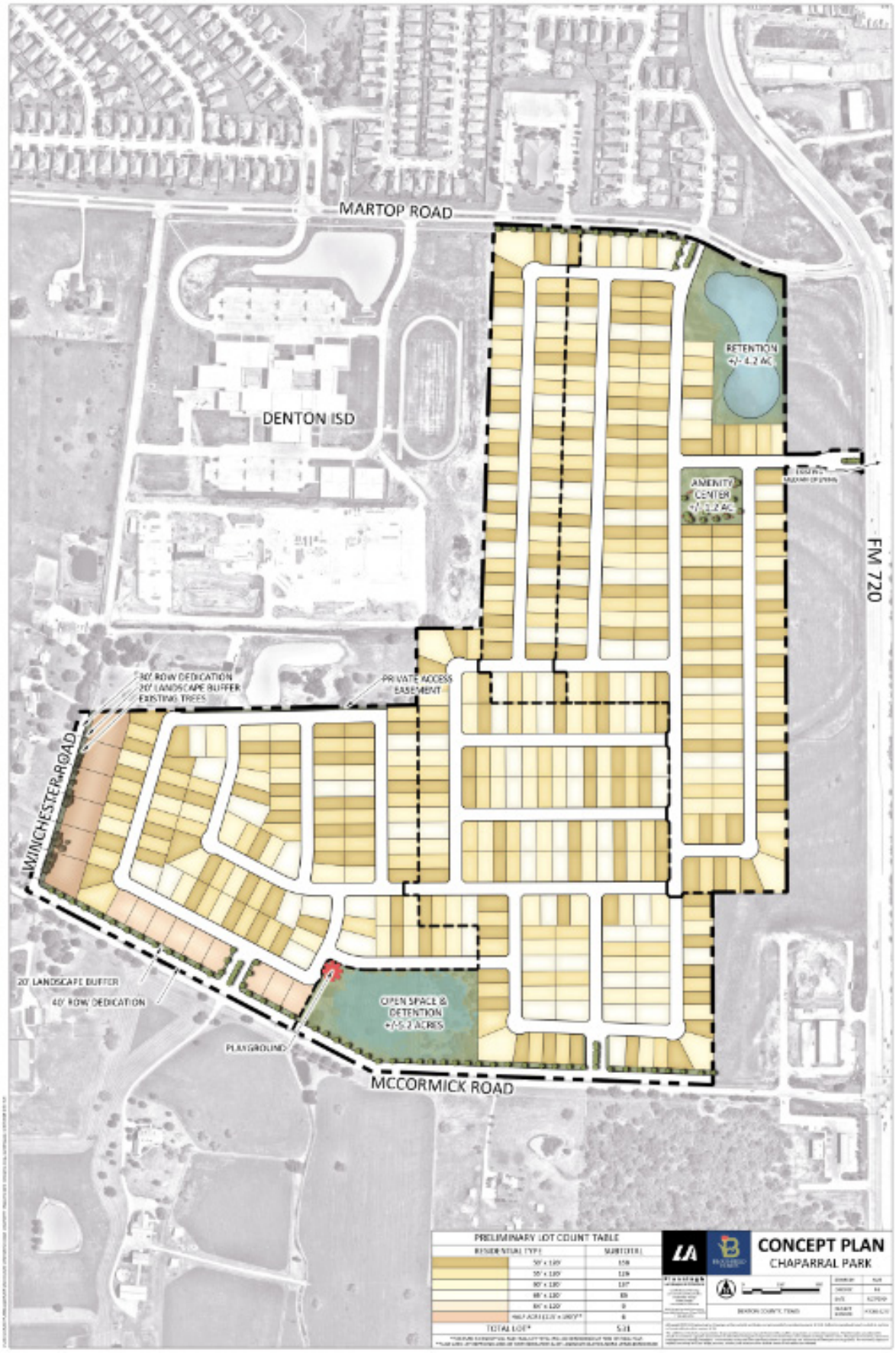
REGIONAL LOCATION MAP OF THE DISTRICT



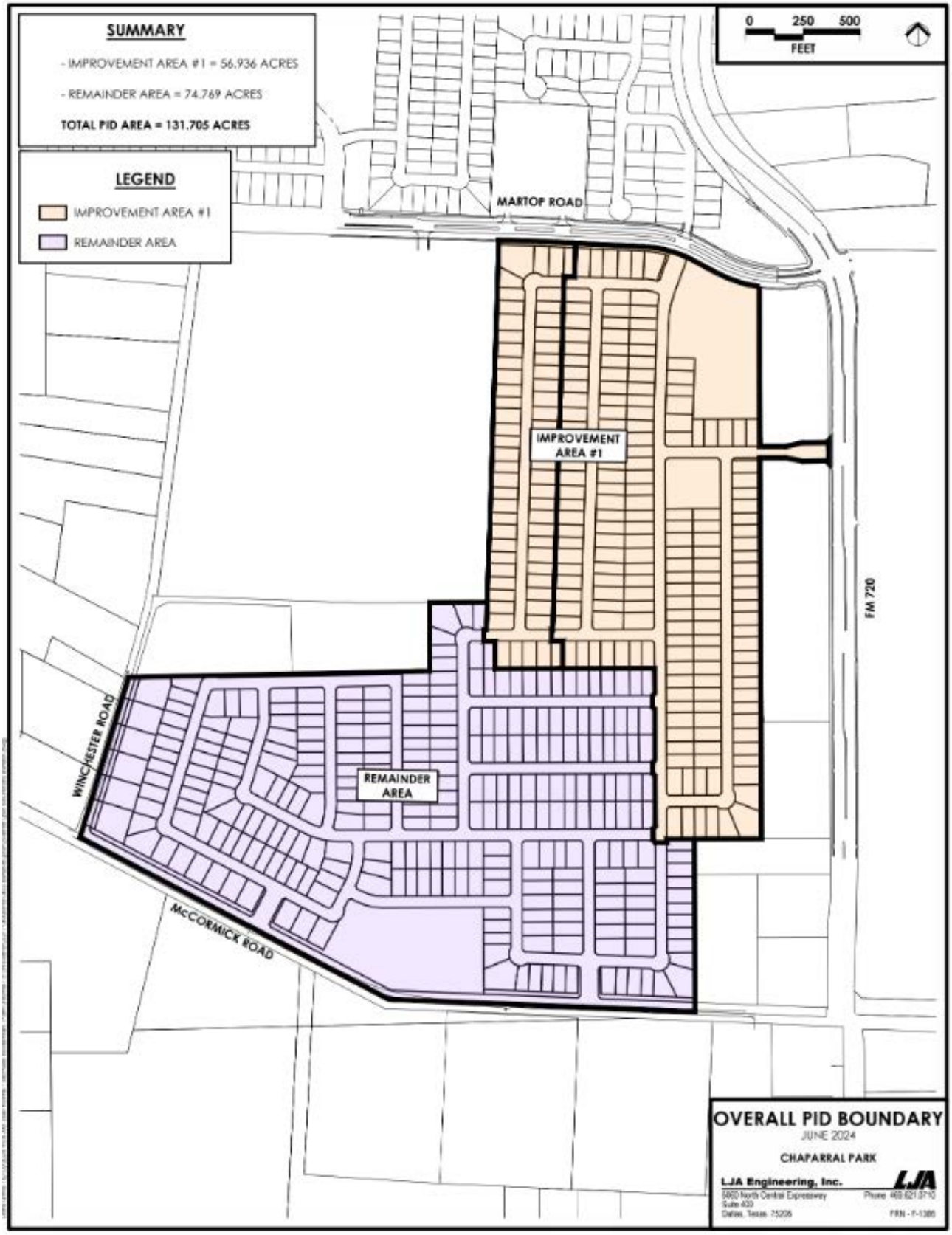
AREA LOCATION MAP OF THE DISTRICT



CONCEPT PLAN OF THE DISTRICT



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



USE OF LIMITED OFFERING MEMORANDUM

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

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

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

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

$11,549,000
CITY OF OAK POINT, TEXAS,
(a municipal corporation of the State of Texas located in Denton County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover, and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Oak Point, Texas (the "City"), of $11,549,000 aggregate principal amount of its Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Project) (the "Bonds").

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

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance adopted by the City Council of the City (the "City Council") authorizing the issuance of the Bonds (the "Bond Ordinance"), and an Indenture of Trust (the "Indenture"), entered into by and between the City and Wilmington Trust, National Association, as trustee (the "Trustee"). Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. ***All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See "APPENDIX B – Form of Indenture."***

The Bonds will be secured by a first and prior lien on and pledge of the Trust Estate, consisting primarily of revenue from Assessments (in the Service and Assessment Plan, the "Improvement Area #1 Assessments") levied pursuant to the Assessment Ordinance against the Assessed Property (in the Service and Assessment Plan, the "Improvement Area #1 Assessed Property") located within Improvement Area #1 of the District, all to the extent and upon the conditions described in the Indenture.

Set forth herein are brief descriptions of the City, the District, the Administrator, the Bond Ordinance, the Assessment Ordinance, the Service and Assessment Plan, the Development Agreement (defined herein), the Improvement Area #1 Construction, Funding, and Acquisition Agreement, and the Developer, together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, telephone number (214) 302-2246. The form of Indenture appears in "APPENDIX B – Form of Indenture" and the Service and Assessment Plan appears in "APPENDIX C – Service and Assessment Plan." The information provided under this caption "INTRODUCTION" is intended to provide a brief overview of the information provided in the other captions

herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed in this Limited Offering Memorandum.

PLAN OF FINANCE

Overview

Bloomfield Homes, L.P., a Texas limited partnership, is the developer (the "Developer") and owner of the entire approximately 131.705 acres comprising the District. The Developer acquired approximately 110.703 acres in February 2023 in a land swap with Denton Independent School District. The Developer acquired an additional 37.082 acres in December 2023. The Developer subsequently sold approximately 12.577 acres which lie outside the boundaries of the District. An additional 3.503 acres lie outside of the boundaries of the District and will be conveyed to the City in lieu of the payment required pursuant to the Cost-Sharing Agreement (defined herein). The remaining approximately 131.705 acres are within the District. See "THE DEVELOPMENT – Development Agreement" and "THE DEVELOPER – History and Financing of the District."

Development Plan

The District is an approximately 131.705-acre master-planned community expected to include approximately 531 single-family residential lots, an amenity center that will include a pool, restrooms, and playground equipment, and a variety of trails and public open space areas. A Concept Plan of the District is shown on page v. See also "THE DEVELOPMENT – Development Within the District" and "– Amenities."

Improvement Area #1 of the District consists of approximately 56.936 acres and is expected to include 241 single-family residential lots, consisting of 82 50' front footage lots, 57 55' front footage lots, 65 60' front footage lots, and 37 65' front footage lots. See the Concept Plan of the District and the map on pages v and vi and "THE DEVELOPMENT."

The Developer is beginning development of the District with the concurrent construction of public improvements that will benefit only the residential lots within Improvement Area #1 of the District (the "Improvement Area #1 Improvements") and improvements that will benefit all of the lots in the District (the "Major Improvements"). The Developer began development in the second quarter of 2024 and expects to complete the Improvement Area #1 Improvements and the Major Improvements in the fourth quarter of 2025.

The total cost of the Improvement Area #1 Improvements is expected to be approximately $9,240,078. All such costs are expected to be paid by the City to the Developer from proceeds of the Bonds. The Developer is responsible for paying, without reimbursement by the City, for the costs of the Major Improvements allocable to Improvement Area #1 in the approximate amount of $323,455, the costs of certain additional improvements necessary to deliver the lots, including lot excavation, residential retaining walls, a detention pond, and associated soft costs and additional improvements that do not constitute Authorized Improvements as defined in the PID Act (the "Private Improvements") in the approximate amount of $4,333,630, and the costs of the portion of the Amenities (defined herein) allocable to Improvement Area #1 in the approximate amount of $2,338,593. As of August 31, 2024, the Developer has spent approximately $881,904.75 on construction of the Improvement Area #1 Improvements, approximately $163,160.00 on the Major Improvements allocable to Improvement Area #1, approximately $978,670.12 on the Private Improvements, and $66,160.25 on the Amenities allocable to Improvement Area #1 using proceeds of the Revolving Credit Agreement (defined herein) and other funds available to the Developer. See "THE IMPROVEMENT AREA #1 IMPROVEMENTS" and "THE DEVELOPER – History and Financing of the District."

The water and sanitary sewer portions of the Improvement Area #1 Improvements (the "Water and Sewer Improvements") will be dedicated, pursuant to an interlocal agreement, to Mustang Special Utility District ("Mustang SUD"), the provider of water and sanitary sewer services to the District. Mustang SUD will be responsible for the operation and maintenance of the Water and Sewer Improvements. The remaining portions of the Improvement Area #1 Improvements will be dedicated to the City and become part of the City's infrastructure system. The City will be responsible for the operation and maintenance of such improvements. See "IMPROVEMENT AREA #1 IMPROVEMENTS" and "THE DEVELOPMENT – Utilities."

The Developer entered into the Improvement Area #1 Construction, Funding, and Acquisition Agreement effective as of September 25, 2024, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of the Improvement Area #1 Improvements within the District, including payment to the Developer for funds expended by the Developer and used to pay costs of Improvement Area #1 Improvements. See "APPENDIX G – Form of Improvement Area #1 Construction, Funding, and Acquisition Agreement."

The Developer expects to request the City to issue one or more series of phased bonds (each such series of bonds, an "Additional Obligation") to finance the cost of improvements that benefit the portions of the District outside of Improvement Area #1 (the "Remainder Area") as the development proceeds. The estimated costs of such improvements benefiting the Remainder Area will be determined as the Remainder Area is developed, and the Service and Assessment Plan will be updated to identify the improvements authorized by the PID Act, including those improvements that benefit the Remainder Area described in the Service and Assessment Plan to be financed by each new series of Additional Obligations. Such Additional Obligations will be secured by separate assessments levied pursuant to the PID Act on assessable property within the Remainder Area of the District that benefit from the improvements being financed.

Lot Purchase Contracts

The Developer has entered into separate contracts for purchase and sale of lots (the "Lot Purchase Contracts") with M/I Homes of DFW, LLC, a Delaware limited liability company ("M/I Homes"), and DFH Coventry, LLC, a Florida limited liability company ("DFH Coventry" and, together with M/I Homes, the "Homebuilders") for the purchase of 132 of the 241 lots within Improvement Area #1 of the District. The Developer plans to build homes on the remaining 109 lots in Improvement Area #1. See "THE DEVELOPMENT – Lot Purchase Contracts."

The Bonds

Proceeds of the Bonds will be used for the purposes of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Improvement Area #1 Improvements, and other costs related to the issuance of the Bonds. See "SOURCES AND USES OF FUNDS," "THE IMPROVEMENT AREA #1 IMPROVEMENTS," and "APPENDIX B – Form of Indenture."

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

The Bonds, any Refunding Bonds, and any Additional Obligations 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 full 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.

The Bonds, any Refunding Bonds, and any Additional Obligations issued by the City are separate and distinct issues of securities secured by separate assessments. Neither any Refunding Bonds nor any Additional Obligations to be issued by the City are offered pursuant to this Limited Offering Memorandum. Investors interested in purchasing any of these other City obligations should refer to the offering documents related thereto, when and if available.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser (each, an "Investor") 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. The limitation of the initial offering to qualified institutional buyers and accredited investors does not denote restrictions on transfers in any secondary market for the Bonds. Each initial purchaser of the Bonds 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 #1 Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the "Investor Information"). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the 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 on the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 15 and September 15, commencing March 15, 2025 (each an "Interest Payment Date"), until maturity or prior redemption. Wilmington Trust, National Association, is the initial Trustee, Paying Agent, and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $100,000 of principal and any integral multiple of $1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Bond is less than $100,000 then the authorized denomination of such Outstanding Bond shall be the amount of such Outstanding Bond ("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 maturing on and after September 15, 2044, before their scheduled maturity dates in whole or in part, on any date on and after September 15, 2034, such redemption date or dates to be fixed by the City, at the price equal to the principal amount to be redeemed plus the applicable premium, if any, plus accrued and unpaid interest to the date fixed for redemption (the "Redemption Price").

Extraordinary Optional Redemption. Notwithstanding any provision in the Indenture to the contrary, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part and in an amount and on any date specified in a City Certificate, at the Redemption Price of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to various provisions of the Indenture), or other transfers to the Redemption Fund under the terms of the Indenture, or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of the Indenture. The City will provide the Trustee a City Certificate directing the Bonds to be redeemed pursuant to the Indenture. See "ASSESSMENT PROCEDURES – Prepayment of Assessments" for the definition and description of Prepayments. See also "APPENDIX B – Form of Indenture."

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

$1,238,000 Term Bonds maturing September 15, 2031

Redemption Date	Sinking Fund Installment Amount
September 15, 2026	$185,000
September 15, 2027	193,000
September 15, 2028	202,000
September 15, 2029	210,000
September 15, 2030	219,000
September 15, 2031†	229,000

† Stated Maturity

$4,302,000 Term Bonds maturing September 15, 2044

Redemption Date	Sinking Fund Installment Amount
September 15, 2032	$239,000
September 15, 2033	251,000
September 15, 2034	265,000
September 15, 2035	278,000
September 15, 2036	293,000
September 15, 2037	308,000
September 15, 2038	325,000
September 15, 2039	342,000
September 15, 2040	360,000
September 15, 2041	379,000
September 15, 2042	399,000
September 15, 2043	420,000
September 15, 2044†	443,000

$6,009,000 Term Bonds maturing September 15, 2054

Redemption Date	Sinking Fund Installment Amount
September 15, 2045	$466,000
September 15, 2046	492,000
September 15, 2047	519,000
September 15, 2048	548,000
September 15, 2049	578,000
September 15, 2050	610,000
September 15, 2051	643,000
September 15, 2052	679,000
September 15, 2053	717,000
September 15, 2054†	757,000

† Stated Maturity

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

The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date 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 and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments 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 written notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first class, postage

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

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

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

Additional Provisions with Respect to Redemption. The following defined terms apply to this subsection:

"Substantial Amount Redemption" means an extraordinary optional redemption of a principal amount of the Bonds that is greater than or equal to 10% of the Outstanding principal amount of the Bonds.

"Minor Amount Redemption" means an extraordinary optional redemption of a principal amount of the Bonds that is less than 10% of the Outstanding principal amount of the Bonds.

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

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

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

If less than all of the Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond, as applicable, to be redeemed shall be selected in the following manner:

(i) with respect to a Substantial Amount Redemption, the principal amount called for redemption shall be allocated on a pro rata basis among all Outstanding Bonds; and

(ii) with respect to a Minor Amount Redemption, the Outstanding Bonds shall be redeemed in inverse order of maturity.

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

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The 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 Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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

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

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

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

Redemption notices 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 Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City 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/REGISTRAR, THE CITY'S FINANCIAL ADVISOR, OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE

PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC 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 SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY ASSETS OF THE CITY OTHER THAN THE 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 pledge of and a first lien upon the Pledged Revenues, consisting primarily of Assessments to be levied against Assessed Property within Improvement Area #1 of the District and other assets comprising the Trust Estate, all to the extent and upon the conditions described in the Indenture. In accordance with the PID Act, the City has caused the preparation of a preliminary Service and Assessment Plan in connection with the levy of assessments in the District (including the Assessments) and adopted a final Service and Assessment Plan in connection with the authorization of the issuance of the Bonds. The Service and Assessment Plan describes the special benefit received by the Assessed Property, including Improvement Area #1 of the District, provides the basis and justification for the determination of special benefit on such Assessed Property, establishes the methodology for the levy of Assessments, and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan will be reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX C – Service and Assessment Plan."

In connection with the pricing of the Bonds on September 25, 2024, and as provided in the Assessment Ordinance, the City approved the final Service and Assessment Plan, which reflects the actual interest rate on the Bonds, as well as the additional interest collected pursuant to Section 372.018(a) of the PID Act. See "APPENDIX C – Service and Assessment Plan."

Pledged Revenues

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

the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied in Improvement Area #1, see "ASSESSMENT PROCEDURES" and "APPENDIX C – Service and Assessment Plan."

The Bonds are secured by a pledge of and first lien upon the Pledged Revenues, consisting primarily of Assessment Revenue, and other assets comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. Pursuant to the Indenture, the following terms are assigned the following meanings:

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

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

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to the Improvement Area #1 Assessment Roll and Annual Service Plan Updates; (6) paying and redeeming Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with the Service and Assessment Plan, the PID Act, and the Indenture, with respect to the Bonds, including the City's continuing disclosure requirements; and (9) 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 Installment" means, with respect to each Assessed Parcel, each annual payment of the Assessments (including both principal and interest) shown in the table of Improvement Area #1 Annual Installments attached to the Service and Assessment Plan as Exhibit F-2 and related to the Improvement Area #1 Improvements, which annual payment includes Annual Collection Costs and the Additional Interest collected on each annual payment of the Assessments as described in the Indenture and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update. *In the Service and Assessment Plan, the Annual Installments are referred to as the "Improvement Area #1 Annual Installments." See "APPENDIX C – Service and Assessment Plan."*

"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.

"Assessed Parcel" means each Parcel of land located within Improvement Area #1 of the District against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan. *In the Service and Assessment Plan, the Assessed Parcels are referred to as the "Improvement Area #1 Assessed Parcels." See "APPENDIX C – Service and Assessment Plan."*

"Assessed Property" means, collectively, all Assessed Parcels. *In the Service and Assessment Plan, the Assessed Property is referred to as the "Improvement Area #1 Assessed Property. See "APPENDIX C – Service and Assessment Plan."*

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

"Assessments" means the aggregate assessments shown on the Improvement Area #1 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, as shown on the Improvement Area #1 Assessment Roll or in the Service and Assessment Plan, subject to reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act. *In the Service and Assessment Plan, the Assessments are referred to as the "Improvement Area #1 Assessments." See "APPENDIX C – Service and Assessment Plan."*

"Delinquent Collection Costs" mean the costs related to the foreclosure on an Assessed Parcel and the costs of collection of delinquent Assessments or delinquent Annual Installments due under the Service and Assessment Plan and in accordance with the PID Act, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing the Assessment, interest, and penalty interest.

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

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

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

"Pledged Revenues" means the sum of (i) Assessment Revenue less the Annual Collection Costs, and (ii) any additional revenues that the City may pledge to the payment of 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 Annual Installment.

"Trust Estate" means (i) all Pledged Revenues and all moneys and investments held in the Pledged Funds, including any and all proceeds thereof and any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and (ii) any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned, or transferred to the Trustee as additional security under the Indenture by the City or by anyone on its behalf or with its written consent.

The City covenants, agrees, and warrants in the Indenture that, for so long as any Bonds are Outstanding, and/or amounts are due to the Developer to pay it for funds it has contributed to pay Actual Costs of the Improvement Area #1 Improvements in accordance with the Improvement Area #1 Construction, Funding, and Acquisition Agreement, it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be 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. See "– Pledged Revenue Fund," "APPENDIX B – Form of Indenture," and "APPENDIX C – Service and Assessment Plan."

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 or claims, except liens and claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named, and runs with the land. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment 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."

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

existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS – Assessment Limitations."

Collection and Enforcement of Assessments

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

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

A record of the Assessments on each parcel, tract, or lot which are to be collected in each year during the term of the Bonds is shown on the Improvement Area #1 Assessment Roll. Sums received from the collection of the Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds, and penalties) and of the interest thereon shall be deposited into the Bond Pledged Revenue Account of the Pledged Revenue Fund. Notwithstanding the foregoing, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, and third, to the Redemption Fund. The Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund. See "SECURITY FOR THE BONDS – Pledged Revenue Fund" and "APPENDIX B – Form of Indenture."

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

Unconditional Levy of Assessments

The City imposed Assessments on Assessed Property in Improvement Area #1 of the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each fiscal year. The Assessments became effective on the date, 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 assessed to pay debt service on the Bonds will be calculated at the rate of interest on the Bonds plus 0.50%, calculated on the basis of a 360-day year of twelve 30-day months. Such rates may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated annually and shall be due on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be due when billed on or about November 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 the District allocable to Improvement Area #1 (the "Annual Collection Costs"). The portion of each Annual Installment used to pay Annual Collection Costs shall remain in effect each year until all Bonds are finally paid or until the City adjusts the amount after an annual review in any year pursuant to Section 372.013 of the PID Act. The amounts collected to pay Annual Collection Costs shall be due in the manner set

forth in the Assessment Ordinance on or about October 1 of each year and shall be delinquent if not paid prior to February 1 of the following year. Amounts collected for Annual Collection Costs do not secure repayment of the Bonds.

There is no discount for the early payment of Assessments.

The PID Act provides that the Assessment Lien is 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).

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

Pledged Revenue Fund

The City creates under the Indenture a Pledged Revenue Fund to be held by the Trustee. On or before March 1 of each year while the Bonds are Outstanding, and beginning March 1, 2025, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues as follows: (i) *first*, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds coming due in such calendar year, (ii) *second*, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) *third*, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with the Indenture, (iv) *fourth*, to pay Actual Costs of the Improvement Area #1 Improvements, and (v) *fifth*, *to* pay other costs permitted by the PID Act.

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

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

Notwithstanding the deposits described in (i) *first* through (v) *fifth* above, the Trustee shall transfer Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

Notwithstanding the deposits described in (i) *first* through (v) *fifth* above, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds *first*, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, *second*, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, and *third,* to the Redemption Fund.

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 an account of the Reserve Fund, and the other deposits described above, the City may direct the Trustee, by City Certificate, to apply Assessments for any lawful purpose permitted by the PID Act for which Assessments may be paid.

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

Bond Fund

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

If amounts in the Principal and Interest Account are insufficient for the purposes set forth above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in accordance with the provisions of 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 interest on the Bonds on the following date and in the following amount:

Date	**Amount**
March 15, 2025	$241,523.46
September 15, 2025	$293,744.75

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #1 Improvements Account of the Project Fund, as directed by City Certificate, or if the Improvement Area #1 Improvements Account of the Project Fund has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Project Fund

Money on deposit in the Project Fund shall be used for the purposes described in "PLAN OF FINANCE – The Bonds."

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to either one or more City Certificates or an executed, completed, and accepted Closing Disbursement Request.

Disbursements from the Improvement Area #1 Improvements Account of the Project Fund of the Project Fund to pay Actual Costs of the Improvement Area #1 Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certificate for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #1 Improvements Account of the Project Fund of the Project Fund pursuant to a Certificate for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Improvement Area #1 Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursements contained in the Improvement Area #1 Construction, Funding, and Acquisition Agreement are incorporated by reference into the Indenture and deemed set forth therein in full.

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

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

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

Not later than six months following the Closing Date for the Bonds, or upon an earlier determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to an Account of the Project Fund and used to pay Actual Costs, or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed. See "APPENDIX B – Form of Indenture" and "APPENDIX G – Form of Improvement Area #1 Construction, Funding, and Acquisition Agreement."

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account is created within the Reserve Fund for the benefit of the Bonds. The Reserve Account will be funded initially with proceeds of the Bonds in the amount of the initial Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" means the least of (i) Maximum Annual Debt Service on the Bonds as of the Closing Date of the Bonds, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date of the Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date for the Bonds, the Reserve Account Requirement is $796,742.50 which is an amount equal to the Maximum Annual Debt Service on the Bonds as of the Closing Date.

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 Additional Interest Reserve Account of the Reserve Fund to the Bond Fund and, second, from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to the Indenture, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds to be redeemed, as identified in a City Certificate, as a result of such Prepayments and as a result of the transfer from the Reserve Account under the Indenture, the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of $1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds

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

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

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

At the final maturity of the Bonds, the amounts on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds.

Additional Interest Reserve Account of the Reserve Fund

Pursuant to the Indenture, an Additional Interest Reserve Account is created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 15 and September 15 of each year, commencing March 15, 2025, an amount equal to the Additional Interest collected, if any, as shown in the Improvement Area #1 Assessment Roll attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest

Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to the Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished to the Additional Interest Reserve Requirement. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In calculating the amounts to be transferred pursuant to the Indenture, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #1 Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update unless and until it receives a City Certificate directing that a different amount be used.

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

The Additional Interest Reserve Requirement is an amount equal to 5.5% of the principal amount of the Outstanding Bonds to be funded from Assessment Revenues to be deposited to the Pledged Revenue Fund and transferred to the Additional Interest Reserve Account. See "APPENDIX B – Form of Indenture" and "APPENDIX C – Service and Assessment Plan."

Administrative Fund

The City creates under the Indenture an Administrative Fund, and a District Administration Account within such Fund, held by the Trustee. The City shall deposit or cause to be deposited to the District Administration Account of the Administrative Fund the amounts collected each year to pay the Annual Collection Costs and Delinquent Collection Costs. Moneys in the District Administration Account of the Administrative Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered under the Indenture and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan. See "APPENDIX C – Service and Assessment Plan."

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

Bonds Deemed Paid

All Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided in the Indenture, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee for such purpose, shall be sufficient to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant or other qualified third-party selected by the City verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

"Defeasance Securities" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. "Investment Securities" means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the "PFIA"); and provided further such investments are, at the time made, included in and authorized by the City's official investment policy as approved by the City Council from time to time. Under current State law, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

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

Events of Default

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

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

2. The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;

3. 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; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make the payments; and

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

Notwithstanding the foregoing, nothing in the Indenture will be viewed to be an Event of Default if it is in violation of any applicable state law or court order.

Remedies in Event of Default

Subject to provisions of the Indenture with respect to limits on liability of the City, upon the happening and continuance of any Event of Default, the Trustee may, and at the written direction of the Owners of at least 25% of the Bonds then Outstanding and its receipt of indemnity satisfactory to it, shall proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or 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 Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

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

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation, or sale.

Whenever moneys are to be applied as a result of any Event of Default, 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, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit, or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least 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; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his, or their action or to enforce any right under the Indenture except in the manner provided therein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided therein and for the equal benefit of the Owners of all Bonds 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 thereunder.

Subject to provisions of the Indenture with respect to limits on liability of the City, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued under the Indenture to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Bonds.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee, and the Owners shall be restored to their former positions and rights under the Indenture, and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds, and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's counsel), liabilities, and advances incurred or made by the Trustee, and the fees of the Trustee in carrying out the Indenture during the continuance of an Event of Default, 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 and to the Owners entitled thereto, without any discrimination or preference.

Within 10 days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners.

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

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

Investment of Funds

Except as otherwise described in the Indenture, money in any Fund or Account established pursuant to the Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the PFIA, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times.

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.

Against Encumbrances

Other than 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, other than that specified in the Indenture, or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds, 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, and except as described below in "– Additional Obligations or Other Liens," the City shall not issue any bonds, notes, or other evidences of indebtedness other than the Bonds and Refunding Bonds, if any, secured by any pledge of or other lien or charge on the Trust Estate, except for other indebtedness incurred in compliance with the Indenture.

Additional Obligations or Other Liens

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

Other than Refunding Bonds issued to refund all or a portion of the Bonds, 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 or omit to be done any matter or things whatsoever whereby the lien of the Indenture or the priority thereof might or could be lost or impaired.

Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds.

Notwithstanding any contrary provision of the Indenture, the City shall not issue Refunding Bonds, Additional Obligations, or subordinate obligations unless: (1) the principal (including sinking fund installments) of such Refunding Bonds, Additional Obligations, or subordinate obligations are scheduled to mature on September 15 of the years in which principal is scheduled to mature, and (2) the interest on such Refunding Bonds, Additional Obligations or subordinate obligations must be scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid.

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SOURCES AND USES OF FUNDS

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

Sources of Funds:	
Principal Amount	$11,549,000.00
Original Issue Discount	(66,688.32)
TOTAL SOURCES	**$11,482,311.68**
Use of Funds:	
Deposit to Improvement Area #1 Improvements Account of the Project Fund	$9,240,078.00
Deposit to Costs of Issuance Account of the Project Fund	523,752.97
Deposit to Capitalized Interest Account of the Project Fund	535,268.21
Deposit to Reserve Account of the Reserve Fund	796,742.50
Deposit to District Administration Account of the Administrative Fund	40,000.00
Underwriter's Discount [(1)]	346,470.00
TOTAL USES	**$11,482,311.68**

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

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DEBT SERVICE REQUIREMENTS

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

Year Ending (September 30)	Principal	Interest	Total
2025	–	$ 535,268.21	$ 535,268.21
2026	$ 185,000.00	587,489.50	772,489.50
2027	193,000.00	579,627.00	772,627.00
2028	202,000.00	571,424.50	773,424.50
2029	210,000.00	562,839.50	772,839.50
2030	219,000.00	553,914.50	772,914.50
2031	229,000.00	544,607.00	773,607.00
2032	239,000.00	534,874.50	773,874.50
2033	251,000.00	522,685.50	773,685.50
2034	265,000.00	509,884.50	774,884.50
2035	278,000.00	496,369.50	774,369.50
2036	293,000.00	482,191.50	775,191.50
2037	308,000.00	467,248.50	775,248.50
2038	325,000.00	451,540.50	776,540.50
2039	342,000.00	434,965.50	776,965.50
2040	360,000.00	417,523.50	777,523.50
2041	379,000.00	399,163.50	778,163.50
2042	399,000.00	379,834.50	778,834.50
2043	420,000.00	359,485.50	779,485.50
2044	443,000.00	338,065.50	781,065.50
2045	466,000.00	315,472.50	781,472.50
2046	492,000.00	291,007.50	783,007.50
2047	519,000.00	265,177.50	784,177.50
2048	548,000.00	237,930.00	785,930.00
2049	578,000.00	209,160.00	787,160.00
2050	610,000.00	178,815.00	788,815.00
2051	643,000.00	146,790.00	789,790.00
2052	679,000.00	113,032.50	792,032.50
2053	717,000.00	77,385.00	794,385.00
2054	757,000.00	39,742.50	796,742.50
Total	**$11,549,000.00**	**$11,603,515.21**	**$23,152,515.21**

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OVERLAPPING TAXES AND DEBT

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

The City, Denton County, Texas (the "County"), and Denton Independent School District ("Denton ISD") may each levy ad valorem taxes upon land in Improvement Area #1 of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or assessments levied by such other taxing authorities.

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

Overlapping Taxes in Improvement Area #1

Taxing Entity	Tax Year 2024 Ad Valorem Tax Rate [1]
The City	$0.430000
Denton County	0.189485
Denton ISD	1.159200
Total Current Tax Rate	**$1.778685**
Estimated Average Annual Installment of Assessment as an Equivalent Tax Rate [2]	$0.559119
Estimated Total Tax Rate and Average Annual Installment in Improvement Area #1 of the District as an Equivalent Tax Rate [2]	**$2.337804**

[1] As reported by the taxing entities. Per $100 in value.

[2] Derived from information in the Service and Assessment Plan and from lot counts and estimated buildout values provided by the Developer. Shown as an equivalent tax rate for illustration purposes only. See "ASSESSMENT PROCEDURES – Assessment Amounts – Method of Apportionment of Assessments" and "APPENDIX C – Service and Assessment Plan."

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

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

Taxing or Assessing Entity	Gross Outstanding Debt as of August 15, 2024	Estimated Percentage Applicable [1]	Direct and Estimated Overlapping Debt [1]
The City (Assessments – Bonds)	$ 11,549,000	100.00%	$11,549,000
The City (Ad Valorem Taxes)	1,330,000	2.55%	33,917
Denton County	688,505,000	0.02%	104,569
Denton Independent School District	2,104,582,488	0.09%	1,894,244
Total	**$2,805,966,488**		**$13,581,730**

[1] Based on the Appraisal "As Complete" value for Improvement Area #1 and on the 2024 Net Taxable Assessed Valuations for the taxing entities. See "APPRAISAL."

Sources: Denton Central Appraisal District, Municipal Advisory Council of Texas, and the Appraisal.

Homeowners' Association Dues

In addition to the Assessments described above, the Developer anticipates that each single-family detached residential lot owner in Improvement Area #1 of the District will pay a property owner's association fee to a homeowners' association (the "HOA"), in the approximate amount of $850 per year.

ASSESSMENT PROCEDURES

General

As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Area #1 Improvements through Assessments, it must adopt a resolution generally describing the Improvement Area #1 Improvements and the land within Improvement Area #1 of the District to be subject to Assessments to pay the cost therefor. The City has caused the Improvement Area #1 Assessment Roll to be prepared, which shows the land within Improvement Area #1 of the District to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land, and the number of Annual Installments into which the Assessment is divided. The Improvement Area #1 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 a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #1 Improvements and funding a portion of the same with Assessments. The City Council levied the Assessments and adopted the Assessment Ordinance on September 25, 2024. After adoption of the Assessment Ordinance, the Assessments became legal, valid, and binding liens upon the property against which the Assessments were made.

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

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each Parcel of Assessed Property as a result of the Improvement Area #1 Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #1 Improvements to Parcels in a manner that

results in equal shares of costs being apportioned to Parcels similarly benefited. As set forth in the Service and Assessment Plan, a portion of the costs of the Improvement Area #1 Improvements is being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Assessment Revenues, and other assets comprising the Trust Estate. As set forth in the Service and Assessment Plan, the City Council has determined that the Actual Costs associated with the Improvement Area #1 Improvements, less those allocated to the Non-Benefitted Property (if any), will be allocated to the Assessed Property by spreading the entire Assessment across all Assessed Property within Improvement Area #1 of the District based on the ratio of Estimated Buildout Value of each Lot Type in Improvement Area #1 to the Estimated Buildout Value of all Assessed Property within Improvement Area #1. At the time the City adopted the Assessment Ordinance, the Assessed Property consisted of only seven Parcels and the Assessments were spread among such Parcels based on the ratio of the acreage of each Parcel to the total acreage of Assessed Property.

The following table provides additional analysis with respect to the assessment methodology, including the estimated maximum Assessment and estimated Annual Installment of Assessments, the equivalent tax rate, and the value to lien ratio per Lot Type in Improvement Area #1. The information in the table was obtained from and calculated using information provided in the Service and Assessment Plan. See "APPENDIX C – Service and Assessment Plan."

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

Lot Type	Planned No. of Lots	Estimated Finished Value per Lot Type	Estimated Buildout Value per Lot Type	Estimated Maximum Assessment per Lot Type [(1)]	Estimated Average Annual Installment of Assessment per Lot Type [(1)]	Tax Rate Equivalent of Average Annual Installment of Assessment per Lot Type [(1)(2)]	Estimated Ratio of Estimated Finished Value per Lot Type to Assessment [(1)]	Estimated Ratio of Projected Average Home Value per Lot Type to Assessment [(1)]
50'/55'	139	$106,896	$598,571	$44,362.66	$3,346.73	$0.559119	2.41 : 1	13.49 : 1
60'/65'	102	$118,191	$712,016	$52,770.50	$3,981.01	$0.559119	2.24 : 1	13.49 : 1

[(1)] Weighted average based on prices in homebuilder contracts.
[(2)] Per $100 of home value.

Source: The Developer, the Administrator, and information presented in the Service and Assessment Plan

For further explanation of the Assessment methodology, see "APPENDIX C – 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 Improvement Area #1. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within Improvement Area #1 of the District. See "APPENDIX C – 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 municipality ad valorem taxes. See "BONDHOLDERS' RISKS – Assessment Limitations."

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

In the Indenture, the 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. See "SECURITY FOR THE BONDS – Collection and Enforcement of Assessments."

To the extent permitted by law, notice of the Annual Installments will be sent by or on behalf of the 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 March 1 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 will not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property. See "SECURITY FOR THE BONDS – Collection and Enforcement of Assessments."

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

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

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

Date Payment Received	Cumulative Penalty	Cumulative Interest	Total
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 amounts of the Assessments have been established by the methodology described in the Service and Assessment Plan. The Improvement Area #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel within Improvement Area #1. The Annual Installments of the Assessments may not exceed the amounts shown on the Improvement Area #1 Assessment Roll. The Assessments have been levied against the Parcels comprising the Assessed Property as indicated on the Improvement Area #1 Assessment Roll. See "APPENDIX C – Service and Assessment Plan."

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

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

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

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

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

Where the terms have the following 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 Improvement Area #1 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 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 as confirmed by the City Council shall be conclusive and binding.

The sum of the Assessments for all newly divided Improvement Area #1 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 shall be reflected in the next Annual Service Plan Update and approved by the City Council.

Upon Subdivision by a Recorded Subdivision Plat. Upon the subdivision of any 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 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 Developer shall provide the City an Estimated Buildout Value for each Lot to be created after recording the subdivision plat as of the date the subdivision plat is anticipated to be recorded. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Developer, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the 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 next Annual Service Plan Update and approved by the City Council.

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

Prepayment of Assessments

Pursuant to the PID Act and the Indenture, the owner of any Assessed Property may voluntarily prepay (a "Prepayment"), at any time, all or part of an Assessment levied against such owner's Assessed Property, together with accrued interest to the date of payment. Upon receipt of such Prepayment, such amounts may 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.

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 municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the 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 Assessed Parcel may pay the entire Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time.

Foreclosure Proceedings

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

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

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

THE CITY

Background

The City of Oak Point is located in central Denton County, approximately 12 miles east of the City of Denton, approximately 17 miles from the Frisco/Plano border, and approximately 40 miles north of downtown Dallas, Texas. Access to the City is provided by U.S. Highway 380. The City is approximately ten miles from the Dallas North Tollway, approximately seven miles from IH-35E, and approximately 24 miles from the Dallas/Fort Worth International Airport. The City's location as part of the growing Dallas-Fort Worth Metroplex has resulted in rapid growth over the last several years. The City's 2020 census population was 4,357. The City's 2024 estimated population is 5,492.

City Government

The City is a political subdivision and is home-rule municipality of the State, duly organized and existing under the laws of the State. The City was incorporated in 1976. The Home Rule Charter was approved at an election held on November 8, 2022. The City Council is comprised of the Mayor and six Council members who are elected for staggered two-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administration officer.

The current members of the City Council and the principal administrators of the City are shown on page ii 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 Resolution No. 2024-04-12R of the City adopted on April 30, 2024, in accordance with the PID Act (the "Creation Resolution") for the purpose of undertaking and financing, in phases, the costs of certain public improvements within the District, including the Improvement Area #1 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. The District is not a separate political subdivision of the State and is governed by the City Council. A Concept Plan of the District is included on page v.

Powers and Authority of the City

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

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, pay, or reimburse the Developer for the costs of financing, acquisition, construction, or improvement of the Improvement Area #1 Improvements. See "THE IMPROVEMENT AREA #1 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 paving, sanitary sewer, storm drainage, and water improvements comprising the Improvement Area #1 Improvements and certain related soft costs, and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues and other assets comprising the Trust Estate. See "ASSESSMENT PROCEDURES" and "APPENDIX C – Service and Assessment Plan."

THE IMPROVEMENT AREA #1 IMPROVEMENTS

General

The Developer is responsible for the completion of the construction, acquisition, or purchase of the Improvement Area #1 Improvements, and the Developer or its designee will act as construction manager. A portion of the Improvement Area #1 Improvements will be funded with the proceeds of the Bonds. From the proceeds of the Bonds, the City will either pay directly or will repay the Developer for a portion of the costs actually incurred in developing and constructing the Improvement Area #1 Improvements. The balance of the costs of the Improvement Area #1 Improvements will be paid by the Developer without reimbursement by the City.

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Improvement Area #1 Improvements

The Improvement Area #1 Improvements, a portion of which are being financed with proceeds of the Bonds, include paving, sanitary sewer, storm drainage, and water improvements and associated soft costs benefitting only the Assessed Property, as described below.

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

Sanitary Sewer Improvements. Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, sewer main connections, service connections, testing, related earthwork, excavation, erosion control, platting, staking, and all necessary appurtenances constructed to City standards required to provide wastewater service to all lots within Improvement Area #1.

Storm Drainage Improvements. Improvements including earthen channels, swales, trench excavation and embedment, curb and drop inlets, RCP piping and boxes, headwalls, manholes, rock rip rap, concrete outfalls, trench safety, and testing as well as all related earthwork, excavation, erosion control, traffic control, encasement, platting, staking, and all necessary appurtenances to provide storm drainage for all lots within Improvement Area #1.

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

Soft Costs. Costs relating to designing, constructing, and installing the Improvement Area #1 Improvements, including land planning and design, inspection fees, District Formation Costs, City fees, bonds, engineering, soil testing, survey, construction management, contingency, legal fees, and consultants.

The total costs of the Improvement Area #1 Improvements are expected to be approximately $9,240,078. All such costs are expected to be paid by the City to the Developer from proceeds of the Bonds. The Developer is responsible for paying, without reimbursement by the City, for the costs of the Major Improvements allocable to Improvement Area #1 in the approximate amount of $323,455, the costs of the Private Improvements in the approximate amount of $4,333,630, and the costs of the Amenities allocable to Improvement Area #1 in the approximate amount of $2,338,593. As of August 31, 2024, the Developer has spent approximately $881,904.75 on construction of the Improvement Area #1 Improvements, approximately $163,160.00 on the Major Improvements allocable to Improvement Area #1, approximately $978,670.12 on the Private Improvements, and approximately $66,160.25 on the Amenities allocable to Improvement Area #1. See "SOURCES AND USES OF FUNDS" and "APPENDIX C – Service and Assessment Plan."

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

Type of Improvement Area #1 Improvement	Costs
Paving	$3,100,869
Sanitary Sewer	1,261,914
Storm Drainage	1,645,956
Water	1,320,316
Soft Costs	1,911,022
Total	**$9,240,078**

Ownership and Maintenance of Improvement Area #1 Improvements

The Water and Sewer Improvements will be dedicated to and accepted by Mustang SUD and will constitute a portion of Mustang SUD's infrastructure improvements. Mustang SUD will provide for the ongoing operation, maintenance, and repair of the Water and Sewer Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

The Improvement Area #1 Improvements other than the Water and Sewer 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 such improvements constructed and conveyed, as outlined in the Service and Assessment Plan. See "APPENDIX C – 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 District is an approximately 131.705-acre master-planned community expected to include approximately 531 single-family residential lots, an amenity center that will include a pool, restrooms, and playground equipment, and a variety of trails and public open space areas (the "Development"). A Concept Plan of the District is shown on page v. See also "– Development Within the District" and "– Amenities."

Improvement Area #1 of the District consists of approximately 56.936 acres and is expected to include 241 single-family residential lots, consisting of 82 50' front footage lots, 57 55' front footage lots, 65 60' front footage lots, and 37 65' front footage lots. See the Concept Plan of the District and the map on pages v and vi and "– Development Within the District."

The Developer is beginning development of the District with the concurrent construction of the Improvement Area #1 Improvements and the Major Improvements. The Developer began development in the second quarter of 2024 and expects to complete the Improvement Area #1 Improvements and the Major Improvements benefitting Improvement Area #1 in the fourth quarter of 2025.

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Development Within the District

The District is planned to include six different residential lot sizes in three improvement areas as follows:

Expected Single-Family Residential Units Within the District

Lot Size	Number of Lots	Base Lot Price [1]	Expected Average Home Price [2]
Improvement Area #1			
50’	82	$115,000	$575,000
55’	57	$126,500	$630,000
60’	65	$138,000	$690,000
65’	37	$149,500	$747,500
Total	**241**		
Improvement Area #2			
50’	43	$115,000	$575,000
55’	37	$126,500	$630,000
60’	44	$138,000	$690,000
65’	32	$149,500	$747,500
Total	**156**		
Improvement Area #3			
50’	43	$115,000	$575,000
55’	32	$126,500	$630,000
60’	28	$138,000	$690,000
65’	16	$149,500	$747,500
84’	9	$193,200	$966,000
½ acre	6	$215,000	$1,075,000
	134		

[1] Lot prices for the 50’ lots, 55’ lots and 60’ lots are based on lot prices in the Lot Purchase Contracts. Estimates differ from the retail lot value in the Appraisal. See “– Lot Purchase Contracts” and “APPRAISAL.” Lot prices for the 84’ lots and ½ acre lots are Developer estimates. An additional amenity fee of $2,500 is due for each lot purchased.

[2] Developer estimates.

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

Expected Build-Out Schedule for the District

Lot Size	Number of Lots	Expected Infrastructure Completion Date	Expected Final Sale Date to Homebuilders [1]
Improvement Area #1			
50'	82	Q4 2025	Q4 2027
55'	57		
60'	65		
65'	37		
Total	**241**		
Improvement Area #2			
50'	43	Q3 2027	N/A
55'	37		
60'	44		
65'	32		
Total	**156**		
Improvement Area #3			
50'	43	Q1 2029	N/A
55'	32		
60'	28		
65'	16		
84'	9		
½ acre	6		
	134		

[1] The Developer expects to build homes on 109 lots within Improvement Area #1 and all lots within Improvement Area #2 and Improvement Area #3.

Expected Absorption of Lots in Improvement Area #1 of the District

Expected Sale Dates to *Homebuilders*	50' Lots	55' Lots	60' Lot	65' Lot	Total Lots [1]
2025	7	5	6	2	20
2026	25	15	16	8	64
2027	17	10	18	3	48
Total	**49**	**30**	**40**	**13**	**132**

[1] The Developer expects to build homes on 109 lots in Improvement Area #1, consisting of 33 50' lots, 27 55' lots, 25 60' lots, and 24 65' lots.

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

Expected Sale Dates to *Homeowners*	50' Lots	55' Lots	60' Lot	65' Lot	Total Lots
2026	20	22	24	23	89
2027	41	26	31	14	112
2028	21	9	10	0	40
Total	**82**	**57**	**65**	**37**	**241**

Lot Purchase Contracts

The Developer has entered into Lot Purchase Contracts with the Homebuilders for the purchase of 132 of the 241 lots within Improvement Area #1 of the District. The Developer expects to build homes on the remaining 109 lots in Improvement Area #1. The Developer expects to complete construction of the Improvement Area #1 Improvements in the fourth quarter of 2025. Upon completion of such improvements, the Homebuilders will begin to take down their respective lots and begin home construction, as described below.

The Homebuilders have collectively deposited $798,400 ($343,000 from M/I Homes and $455,400 from DFH Coventry) in earnest money (the "Earnest Money Deposits"). The Earnest Money Deposits will be credited towards the purchase prices at the respective lot closings. Additionally, there are circumstances described in the Lot Purchase Contracts the occurrence of which may result in the termination of such agreements.

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

Improvement Area #1 Homebuilder Lot Allocation

Homebuilder	50'	55'	60'	65'	Total
M/I Homes	25	18	17	–	60
DFH Coventry	24	12	23	13	72
Developer	33	27	25	24	109
Total	**82**	**57**	**65**	**37**	**241**

Lot Prices and Expected Average Home Prices in Improvement Area #1 of the District

Lot Size	Number of Lots	Base Lot Price [1]	Expected Average Home Price [2]
50'	82	$115,000	$575,000
55'	57	$126,500	$630,000
60'	65	$138,000	$690,000
65'	37	$149,500	$747,500
Total	**241**		

(1) Lot prices for the 50' lots, 55' lots, and 60' lots are based on actual lot prices in the Lot Purchase Contracts. An amenity fee of $2,500 is due for each lot purchased.

(3) Developer estimates.

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The following table provides the takedown schedules in Improvement Area #1 pursuant to the Lot Purchase Contracts:

Improvement Area #1 Lot Purchase Contracts

Homebuilder	Lot Size	Per Lot Purchase Price [1]	Number of Lots	Takedown Schedule [1][2]
M/I Homes	50'	$115,000	25	10 lots within 21 days of Substantial Completion (expected Q4 2025)
	55'	$126,500	18	
	60'	$138,000	17	8 lots every 90 days thereafter
			60	
DFH Coventry	50'	$115,000	24	10 lots within 20 days of Substantial Completion (expected Q4 2025)
	55'	$115,000	12	
	60'	$138,000	23	
	65'	$138,000	13	8 lots every 90 days thereafter
			72	
Total			**132** [2]	

[1] The Lot Purchase Contracts provide for a $2,500 amenity fee for each lot purchased.
[2] The Developer expects to build homes on the remaining 109 lots in Improvement Area #1.

Amenities

In addition to the Improvement Area #1 Improvements, the Development Agreement obligates the Developer to construct an amenity center, to include a swimming pool, restrooms, and playground equipment. The Developer also plans to construct a variety of trails and public open space areas throughout the District (together with the amenity center, the "Amenities"). The costs of the amenity center and the remaining Amenities to be constructed with Improvement Area #1 are expected to equal approximately $2,338,593, will be paid entirely by the Developer, without reimbursement by the City, from proceeds of the Revolving Credit Agreement. The Developer expects to begin construction of the amenity center in the fourth quarter of 2025 and complete construction in the second quarter of 2026. Additional trails and open space areas will be constructed concurrently with each future improvement area and the costs of such trails and open space will be determined at such times.

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

In addition, the Developer is responsible for paying, without reimbursement by the City, for costs of the Private Improvements (consisting of lot excavation, residential retaining walls, a detention pond, and associated soft costs) in the approximate amount of $4,333,630. The Private Improvements will be owned, operated, and maintained by the HOA.

Development Agreement

Pursuant to the Development Agreement, the Developer has the right to construct public improvements for the District, including the Improvement Area #1 Improvements, according to certain rules and regulations of the City, and to be repaid for a portion of the costs of such construction through the proceeds of assessments and/or bonds secured by assessments ("PID Bonds").

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

- Assume Denton ISD's obligations under a cost-sharing agreement related to the construction of Martop Road (the "Cost-Sharing Agreement");

- After construction of the first phase of the development, begin construction of the amenity center, which shall include a swimming pool, restrooms, and playground equipment;

- Within 180 days of filing of the final plat for any phase of development, construct standard screening along all perimeter roadways;

- At the time of application for a building permit, make a payment in lieu of parkland dedication in accordance with the City's subdivision ordinance; and

- In connection with the development of commercial uses within the District, construct a minimum six-foot masonry wall along the boundaries between the retail/commercial development and planned or existing single-family development within the District.

Pursuant to the Cost-Sharing Agreement, the Developer will make a payment of $350,000 and convey approximately 3.503 acres outside of the District to the City upon closeout of the project, expected to occur in October 2024. The Developer plans to begin construction of the amenity center following substantial completion of the Improvement Area #1 Improvements.

The Development Agreement may be amended or modified in writing signed by the City and the affected parties.

Zoning/Permitting

The property within the District is zoned pursuant to Ordinance No. 2023-06-596 and Ordinance No. 2023-10-609 (together, the "PD Ordinance") adopted by the City Council on June 21, 2023, and October 18, 2023, respectively. The PD Ordinance allows for the development of the land within the District as described herein.

Education

The District is located within Denton ISD. Denton ISD currently operates two early childhood schools, 25 elementary schools, nine middle schools, and six high schools.

Students within the District are expected to attend Cross Oaks Elementary School, Rodriguez Middle School, and Ray Braswell High School, which are approximately 1.8, 0.3, and 1.0 miles, respectively, from the District.

Greatschools.org currently rates Cross Oaks Elementary School 5 out of 10, Rodriguez Middle School 4 out of 10, and Ray Braswell High School 4 out of 10. According to the Texas Education Agency annual school report cards, Cross Oaks Elementary School was rated "B," Rodriguez Middle School was rated "C," and Ray Braswell High School was rated as "B" for the 2021-2022 school year (the most recent school year for which report cards have been released). The categories for public schools are A, B, C, or Not Rated (used for grades of less than 70).

Environmental

Site Evaluation. A Phase I Environmental Site Assessment ("Phase One ESA") for the property within the District was performed by UES Professional Solutions 44, LLC (formerly Alpha Testing) ("UES"), as summarized in its report dated June 7, 2024, for the purpose of identifying recognized environmental conditions ("RECs"), historical recognized environmental conditions ("HRECs"), and/or controlled recognized environmental conditions ("CRECs"). UES did not identify evidence of RECs, HRECs, or CRECs, or significant data gaps, in connection with the property in the District. Based on the information reviewed for its report, UES was of the opinion that additional environmental assessment activities were not warranted.

Endangered Species. According to the website for the United States Fish and Wildlife Service, the Whooping Crane is an endangered species and the Black Rail, Piping Plover, and Rufa Red Knot are threatened species in Denton County. The Developer is not aware of any endangered species located on District property.

Existing Gas, Mineral, and Easement Rights and Other Third-Party Property Rights

There are certain mineral rights reservations of prior owners of real property within the District (the "Mineral Owners") pursuant to one or more deeds in the chain of title for the property in the District. There is currently no drilling or exploration of minerals within the District. The Developer cannot predict whether the Mineral Owners will take additional actions in the future to explore or develop their mineral rights. Certain rules and regulations of the Texas Railroad Commission may restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues. Additionally, any drilling within the City limits, including re-drilling, deepening, or converting an existing well, must comply with the City's Code of Ordinances, including the requirement to obtain a "specific use permit" and certain required setbacks from residences, schools, and other facilities.

Although the Developer does not expect the above-described mineral rights or related real property rights in or around the District to have a material adverse effect on the development of the District or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See "BONDHOLDERS' RISKS – Exercise of Third-Party Property Rights."

Flood Zone

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), Community Panel Number 48121C0405G, effective April 18, 2011, and Community Panel Number 48121C0415G, effective April 18, 2011, all of the property within the District lies outside of the 500-year flood plain, referred to as Zone X. See "BONDHOLDERS' RISKS – Flood Plain and Severe Weather Events."

Utilities

Mustang SUD holds the certificates of convenience and necessity to provide water and sanitary sewer services to the District. Upon completion, the Water and Sewer Improvements will be dedicated to Mustang SUD. Upon dedication of the Water and Sewer Improvements, Mustang SUD will have sufficient capacity to provide water and sewer service to Improvement Area #1 of the District.

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

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 the revenue bonds, such as the Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of the Developer

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

Bloomfield develops the majority of the lots that it builds homes on in approximately sixty locations throughout the Dallas – Fort Worth – Arlington Metroplex. Since its founding, Bloomfield has developed approximately 14,000 lots and constructed approximately 18,000 homes. Bloomfield has experience developing in neighborhoods with various types of district financing, including Paloma Creek in Little Elm, Texas; Cross Oak Ranch in Oak Point, Texas; Woodcreek in Fate, Texas; and Grand Heritage in Lavon, Texas; and has built homes in neighborhoods with public improvement districts, including Mira Lagos in Grand Prairie, Texas.

Bloomfield focuses on the price range between $300,000 and $800,000 and, per Residential Strategies Inc. ("RSI") (4th quarter 2023 report) has the fifth largest market share in the Dallas – Fort Worth – Arlington market. For 2023, Bloomfield was ranked as the 40th largest builder in the United States per Builder Magazine Top 100 Builders. Bloomfield was also named 2021 Homebuilder of the Year by the Greater Fort Worth Builder Association

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

Examples of projects undertaken by Bloomfield include:

Name	City	Number of Lots Remaining	Total Number of Lots	Average Home Prices
West Crossing	Anna	68	965	$543,000
Kreymer Estates	Wylie	80	494	$647,000
Country Lakes	Denton	170	695	$541,000
Arrowbrooke	Aubrey	173	1,185	$590,000
Paloma Creek	Little Elm	1	759	$558,000
Timberbrook	Justin	1,656	2,229	$535,000

Biographies of Key Developer Parties

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

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

Steve Corradi. Steve Corradi has been Vice President of Finance with the Developer since 2016. Prior to joining Bloomfield, Steve held financial management positions with a number of firms in the homebuilding, contracting, and telecommunications industries. Steve also was a certified public accountant with EY & Company

from 1981 to 1987. Steve received his Bachelor of Science in Accounting from the Wharton school of Business – University of Pennsylvania in 1981.

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

History and Financing of the District

Property Acquisition. The Developer acquired approximately 110.703 acres in the District in February 2023 in a land swap with Denton ISD in exchange for 141.744 acres and a payment in the amount of $5,739,030.00. In connection with the land swap, the Developer assumed Denton ISD's obligations under the Cost-Sharing Agreement. See "THE DEVELOPMENT – Development Agreement."

The Developer acquired approximately 37.082 acres in the District in December 2023 for a purchase price of $4,000,000 using funds from the Revolving Credit Agreement described below. The Developer subsequently sold approximately 12.577 acres located outside the District for a price of $2,191,412.00. An additional 3.503 acres outside the District will be conveyed to the City pursuant to the Cost-Sharing Agreement. The remaining approximately 131.705 acres are within the District.

Acquisition and Development Financing. The Developer has entered into a Fifth Amended and Restated Credit Agreement, dated as of April 30, 2024 (the "Revolving Credit Agreement"), with a group of lenders led by Fifth Third Bank, National Association (collectively, the "Lenders") providing for loans in a combined maximum amount of $440,000,000 outstanding at any time. The Revolving Credit Agreement is unsecured and matures on April 30, 2028. As of August 31, 2024, the Developer had loans outstanding in the amount of $369,540, leaving $70,460,000 available pursuant to the Revolving Credit Agreement. The Developer may repay the outstanding portion of the Revolving Credit Agreement from any available resources, including revenue generated from sales of the lots developed and homes constructed in the District.

The Revolving Credit Agreement imposes a number of conditions upon the Developer's right to obtain loans. If the Developer were unable to satisfy such conditions, release of funds from the Revolving Credit Agreement and the construction of the Improvement Area #1 Improvements could be delayed or prevented entirely, which would adversely affect the security for the Bonds.

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

Sufficiency of Developer's Financing. According to the Developer, the Developer's available financing sources are sufficient to fund the total expected costs of the Improvement Area #1 Improvements in the approximate amount of $9,240,078, the costs of the Private Improvements in the approximate amount of $4,333,630, and the costs of the Amenities allocable to Improvement Area #1 in the approximate amount of $2,338,593. The Developer's financing sources include the Revolving Credit Agreement, the Earnest Money Deposits, the net proceeds of the Bonds in the approximate amount of $9,240,078, and Developer equity.

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 Service and Assessment Plan. The PID Administrator is a consulting firm focused on providing

district services relating to the formation and administration of public improvement districts, and has offices in Austin, Houston, and North Richland Hills, Texas.

The PID Administrator's duties will include:

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

APPRAISAL

General. Peyco Southwest Realty, Inc. (the "Appraiser"), prepared an appraisal report (the "Appraisal") for the City and the Underwriter dated as of August 14, 2024, based upon a physical inspection of Improvement Area #1 conducted on May 20, 2024. The Appraisal was prepared at the request of the City and the Underwriter. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Improvement Area #1 of the District. The Appraisal is attached hereto as APPENDIX H and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions, and qualifications, which are set forth therein. See "APPENDIX H – Appraisal."

Value Estimates. The Appraiser estimated the prospective market value at completion of the fee simple interest in Improvement Area #1 of the District under certain hypothetical conditions. The Appraisal does not reflect the value of Improvement Area #1 as if sold to a single purchaser in a single transaction. The hypothetical conditions include the assumption that all of the Improvement Area #1 Improvements and any additional improvements to be funded by the Developer have been completed as of October 1, 2025, in accordance with the plans and specifications. See "THE IMPROVEMENT AREA #1 IMPROVEMENTS." The Appraisal does not reflect the as-is condition of Improvement Area #1. See "APPENDIX H – Appraisal."

The prospective market value as completed for the Assessed Property using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of October 1, 2025, is $26,914,000.

None of the City, the Developer, or the Underwriter make 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 none of the City, the Developer, or the Underwriter make any representation as to the reasonableness of such assumptions. See "BONDHOLDERS' RISKS" – Use of Appraisal."

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

BONDHOLDERS' RISKS

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

General

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER ASSETS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY ASSETS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER ASSETS 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 ASSETS COMPRISING THE TRUST ESTATE.

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

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

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

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

Deemed Representations and Acknowledgment by Investors

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

Infectious Disease Outbreak

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

Failure or Inability to Complete Proposed Development

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

Completion of Homes

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

Absorption Rate

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

Assessment Limitations

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

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in Improvement Area #1, 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."

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #1, 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 owned 100% of the property within Improvement Area #1 at the time the Assessments were levied 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 ARE A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #1.

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

Depletion of Reserve Fund; No Prefunding of Additional Interest Reserve Account

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

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 Improvement Area #1 of the District does not take into account the possible liability of the owner (or operator) for the remediation of a hazardous substance condition of the land. The City has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within Improvement Area #1 of the District has such a current liability with respect to any such parcel; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within Improvement Area #1 of the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on 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. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

See "THE DEVELOPMENT – Environmental" for discussion of a Phase One ESA performed on the property within the District, including Improvement Area #1.

Regulation

Development within Improvement Area #1 of the District may be subject to future federal, state, and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in Improvement Area #1 of the District, the nature and extent of public improvements, land use, zoning, and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in Improvement Area #1 of the District and property values.

Recent Changes in State Law Regarding Public Improvement Districts

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

Potential Future Changes in State Law Regarding Public Improvement Districts

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

Flood Plain and Severe Weather Events

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), Community Panel Number 48121C0405G, effective April 18, 2011, and Community Panel Number 48121C0415G, effective April 18, 2011, all of the property within the District lies outside of the 500-year flood plain, referred to as Zone X.

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

All of the State, including the City, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, heavy rains and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It is impossible to predict whether similar events will occur in the future and the impact they may have on the City, including land within Improvement Area #1 of the District.

Exercise of Third-Party Property Rights

As described under "THE DEVELOPMENT – Existing Gas, Mineral, and Easement Rights and Other Third-Party Property Rights," there are certain mineral rights reservations located within the District and not owned by the Developer. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Denton County.

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

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and at the written direction of the Owners of not less than 25% in aggregate Outstanding principal amount of the Bonds and its receipt of indemnity satisfactory to it shall, proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained therein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so its use rests within the discretion of the court but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on or sell property within Improvement Area #1 in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS – Bankruptcy Limitation to Bondholders' Rights."

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within Improvement Area #1 of the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Assessments, or delinquent ad valorem taxes, against such property owner.

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

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

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

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners

of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Area #1 of the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments, and the Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

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

Limited Secondary Market for the Bonds

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

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.

Management and Ownership

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

Tax-Exempt Status of the Bonds

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

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

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

General Risks of Real Estate Investment and Development

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

The ability of the Developer to develop lots and the Homebuilders to sell single-family residential homes within Improvement Area #1 of the District may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market, and other factors beyond the control of the owner of the single-family residential lots. In the event that a large number of single-family projects are constructed outside of Improvement Area #1 of the

District, and compete with the Development, the demand for residential housing within Improvement Area #1 of the District could be reduced, thereby adversely affecting the continued development of Improvement Area #1 of the District, or its attraction to residents.

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. Improvement Area #1 of the District will be subject to the risks generally incident to real estate investments and development. Many factors that may affect Improvement Area #1 of the District, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional, and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in Improvement Area #1 of the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

Improvement Area #1 of the District cannot be completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of the Improvement Area #1 Improvements and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

A slowdown of the development process and the related absorption rate within Improvement Area #1 of the District because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer, the 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 #1 of the District 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

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot, and home sales within Improvement Area #1 of the District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Recent Increase in Costs of Building Materials

As a result of the Pandemic, low supply and high demand, and the ongoing trade war, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. The Developer is responsible for the construction of the Improvement Area #1 Improvements. The Developer expects to finance a portion of the costs of the Improvement Area #1 Improvements from proceeds of the Bonds. If the Actual Costs of the Improvement Area #1 Improvements are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Improvement Area #1 Improvements or pay the Assessments when due. If the costs of material continue to increase, it may affect the ability of the Developer and the Homebuilders to construct homes within Improvement Area #1 of the District. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District.

Adverse Developments Affecting the Financial Services Industry

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

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

Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developer, the City, the City's Financial Advisor, or the Underwriter can give any assurance that the building programs which are planned throughout the District will be completed in accordance with the Developer's expectations. The successful development of the land within the District, the success of the Development, and the sale of residential units therein, once such homes are built, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market, and other factors beyond the control of the Developer. The competitive position of the Developer in the sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in Improvement Area #1 of the District.

The following table is a list of competitive single-family residential projects provided by the Developer:

Project Name	# of Units/SF	Proximity to Development	Developer	Date Started	Completed /Expected	Prices	# of Units Remaining
Spiritas Ranch	2,115/ 1,501-4,302	5 miles	Centurion American	2023	2028	$379k-$705k	1,093
Wildridge	1,033/ 1,802-3,178	7.5 miles	Ashlar	2023	2024	$461k-$655k	70
Prairie Oaks	910/ 1,500-3,823	5.5 miles	Highwood	2023	2027-2028	$399k-$579k	275

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. For more information on competitive projects, see "APPENDIX H – Appraisal."

Availability of Utilities

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

Dependence Upon Developer

The Developer, as the owner of all of the Assessed Property in Improvement Area #1 of the District, currently has the obligation for payment of 100% of the Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The sole assets of the Developer are land within the District, related permits and development rights, and minor operating accounts. The source of funding for future land development activities and infrastructure construction to develop the remaining lots proposed for the District consists of proceeds of lot sales, as well as possible bank financing and equity contributions by the Developer and its partners. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer's designee, from proceeds of the Bonds for a portion of the project costs actually incurred in developing and constructing the Improvement Area #1 Improvements within the District. See "THE IMPROVEMENT AREA #1 IMPROVEMENTS." There can be no assurances given as to the financial ability of the Developer to complete such improvements.

Use of Appraisal

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the Appraiser's forecasts for properties in Improvement Area #1 of 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 Improvement Area #1 of the District.

In performing its analyses, an appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions, and other matters, many of which are beyond the Appraiser's, the Underwriter's, and the 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.

TAX MATTERS

Tax Exemption

The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. A form of Bond Counsel's opinion is reproduced as Appendix D. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the Closing Date pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the City with the provisions of the Indenture subsequent to the issuance of the Bonds. The Indenture contains covenants by the City with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the City may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, corporations subject to the alternative minimum tax on adjusted financial statement income, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("FASIT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than $1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal

income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such 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 Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

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.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value or marketability of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the Bonds.

Prospective purchasers of the Bonds should consult with their own tax advisors regarding any other federal income tax legislation, whether currently pending or proposed, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

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

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.

Norton Rose Fulbright US LLP 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 obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal of and interest thereon, are payable from and secured by a pledge of and lien on the Trust Estate. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS." A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D –Form of Opinion of Bond Counsel."

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

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

Litigation – The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, 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 the Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action

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

Litigation – The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer or any of its affiliates wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of Developer or its general partner or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Improvement Area #1 Completion Agreement, the Development Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a "Material Adverse Effect"). Additionally, principals of Developer and their affiliated entities have been (but are not currently) parties to pending and threatened litigation related to their commercial and real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

SUITABILITY FOR INVESTMENT

Investment in the 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 Securities and Exchange Commission (the "Rule"), the City, the PID Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. (in such capacity, the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of Issuer") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Issuer, certain financial information and operating data relating to the City (collectively, the "City Reports"). The specific nature of the information to be contained in the City Reports is set forth in "APPENDIX E-1 – Form of Disclosure Agreement of Issuer." Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The City Compliance with Prior Undertakings

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

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 #1 Improvements (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 – Form of Disclosure Agreement of Developer." Under certain circumstances, the failure of the Developer or the 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 to the Dissemination Agent and (ii) notices of certain specified events, only as provided in the Disclosure Agreement of Developer. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of Developer. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of Developer or from any statement made pursuant to the Disclosure Agreement of Developer.

The Developer's Compliance With Prior Undertakings

The Developer has not previously entered into a continuing disclosure agreement.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Bonds from the City at a purchase price of $11,135,841.68 (the par amount of the Bonds, less an original issue discount of $66,688.32, and less an underwriting discount of $346,470.00). 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 Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated, or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL 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 "AAA-m" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered

under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 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 Wilmington Trust, National Association, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness, or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

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

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

SOURCES OF INFORMATION

General

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

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Development generally and, in particular, the information included in the maps in this Limited Offering Memorandum and in the sections captioned "PLAN OF FINANCE" (except for the subcaption "The Bonds"), "OVERLAPPING TAXES AND DEBT" (final paragraph only) and "– Homeowners' Association Dues," "THE IMPROVEMENT AREA #1 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "LEGAL MATTERS – Litigation – The Developer," and "CONTINUING DISCLOSURE – The Developer" and "– The Developer's Compliance with Prior Undertakings," "APPENDIX E-2," "APPENDIX F," and "APPENDIX G," and, to the Developer's knowledge after due inquiry, under the caption "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1 Improvements, and the Development), 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 herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

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

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

In the Bond Ordinance, the City Council authorized this Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

The following information has been provided for informational purposes only.

General

The City of Oak Point is located in central Denton County, approximately 12 miles east of the City of Denton, approximately 17 miles from the Frisco/Plano border, and approximately 40 miles north of downtown Dallas, Texas. Access to the City is provided by U.S. Highway 380. The City is approximately ten miles from the Dallas North Tollway, approximately seven miles from IH-35E, and approximately 24 miles from the Dallas/Fort Worth International Airport. The City's location as part of the growing Dallas-Fort Worth Metroplex has resulted in rapid growth over the last several years. The City's 2020 census population was 4,357. The City's 2024 estimated population is 5,492.

The City is a political subdivision and is home-rule municipality of the State, duly organized and existing under the laws of the State. The City was incorporated in 1976. The Home Rule Charter was approved at an election held on November 8, 2022. The City Council is comprised of the Mayor and six Council members who are elected for staggered two-year terms. The City Council formulates operating policy for the City while the City Manager is the chief administration officer.

The current members of the City Council and the principal administrators of the City are shown on page ii of the Limited Offering Memorandum.

Historical Employment in Denton County (Average Annual)

	Average Annual				
	2024 [(1)]	2023	2022	2021	2020
Civilian Labor Force	576,060	568,450	551,918	529,274	511,246
Total Employed	557,701	548,549	533,977	505,915	478,345
Total Unemployed	18,359	19,901	17,941	23,359	32,901
Unemployment Rate	3.2%	3.5%	3.3%	4.4%	6.4%

(1) Data through April 2024.

Source: Texas Labor Market Information.

Major Employers in Denton County

The major employers in Denton County for 2023 are set forth in the table below.

Employer	Product or Service	Employees
University of North Texas	Education	8,891
Lewisville ISD	Education	7,500
Schwab	Financial Services	7,000
Nebraska Furniture Mart	Retail	5,006
Denton ISD	Education	4,331
Andretti Indoor Carting & Games	Entertainment Center	3,000
Peterbilt Motors	Manufacturing	2,000
Denton County	Government	1,822
Wal-Mart	Retail Store	1,734
AdventHealth	Healthcare	1,633

Source: Municipal Advisory Council of Texas. Information in the Appraisal may vary.

Surrounding Economic Activity

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

City of Denton (2023)		City of Frisco (2022)		City of Lewisville (2023)		City of Grapevine (2022)	
Approx. 12 Miles from the City		Approx. 10 Miles from the City		Approx. 10 Miles from the City		Approx. 20 Miles from the City	
Employer	**Employees**	**Employer**	**Employees**	**Employer**	**Employees**	**Employer**	**Employees**
University of North Texas	8,891	Frisco ISD	8,088	Lewisville ISD	3,551	Gaylord Texas Resort & Convention Center	2,000
Denton ISD	4,331	T-Mobile USA	1,800	Wal-Mart	900	Dallas/Ft. Worth Int'l Airport	1,980
Peterbilt Motors-Headquarters & Plant	2,000	City of Frisco	1,688	City of Lewisville	842	Grapevine-Colleyville ISD	1,700
Denton County	1,822	Keurig Dr. Pepper Inc.	1,100	Medical City Lewisville	577	Paycom	900
Denton State Supported Living Center	1,146	Mario Sinacola & Sons Excavating	935	Mary Kay	571	City of Grapevine	700
City of Denton	1,104	Conifer	903	Caliber Collision	545	Baylor Medical	660
Texas Presbyterian Hospital	1,100	Baylor Medical Center	663	SYSCO	476	Great Wolf Lodge	600
Texas Women's University	1,077	Baylor Scott White/Centennial Hosp.	466	HOYA Vision Care	325	Hyatt Regency DFW	500
Sally Beauty Holdings, Inc.	1,000	IKEA Frisco	423	Orthofix	250	Texas Toyota of Grapevine	350
Medical City Denton	799	UT Southwestern/Texas Health Hospital	300	The Flooring Services	250	American Warranty Svc	340



City of McKinney (2022)	
Approx. 20 Miles from the City	
Employer	**Employees**
Raytheon Space & Airborne Systems	4,347
McKinney ISD	2,749
Collin County	1,964
Globe Life	1,600
Independent Financial	1,600
City of McKinney	1,428
Encore Wire Corp.	1,325
Collin College	1,064
Baylor	700
Medical Center of McKinney	670

City of Dallas (2023)	
Approx. 30 Miles from the City	
Employer	**Employees**
UT Southwestern Medical Center	23,817
Dallas ISD	23,271
City of Dallas	16,000
Southwest Airlines Co.	14,618
Parkland Health & Hosp. System	13,000
Dallas County Community College	8,230
Dallas Co. Community College	8,230
Texas Instruments Inc.	7,722
Dallas County	6,500
Methodist Dallas Medical Center	6,452

Source: Municipal Advisory Council of Texas

APPENDIX B

FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF OAK POINT, TEXAS

and

WILMINGTON TRUST, NATIONAL ASSOCIATION
as Trustee

DATED AS OF OCTOBER 1, 2024

SECURING

$11,549,000
CITY OF OAK POINT, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of October 1, 2024 is by and between the CITY OF OAK POINT, TEXAS (the "City"), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted and filed with the City Secretary of the City (the "City Secretary") pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), requesting the creation of a public improvement district located within the corporate limits of the City to be known as the Chaparral Park Public Improvement District (the "District"); and

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

WHEREAS, on April 30, 2024 after due notice, the City Council of the City (the "City Council") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act; and

WHEREAS, on April 30, 2024, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2024-04-12R, adopted by a majority of the members of the City Council, authorized the creation of the District in accordance with its findings as to the advisability of the improvement projects and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on May 1, 2024 the City Secretary filed a copy of Resolution No. 2024-04-12R with the county clerk of Denton County, the county in which all of the District is located in accordance with the provisions of the PID Act; 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 April 30, 2024; and

WHEREAS, on August 28, 2024, the City Council by Resolution No. 2024-08-32R made findings and determinations relating to the Actual Costs of certain Improvement Area #1 Improvements, received and accepted a preliminary service and assessment plan and a proposed assessment roll, called a public hearing for September 25, 2024 and directed City staff to (i) file the proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail such notice relating to the September 25, 2024 hearing as required by Section 372.016(b) of the PID Act; and

WHEREAS, on September 7, 2024 City staff, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Denton Record-Chronicle*, a newspaper of

general circulation in the City, to consider the proposed Service and Assessment Plan, the Improvement Area #1 Assessment Roll and the levy of the Assessments on the property within Improvement Area #1 of the District; and

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

WHEREAS, the City Council opened and convened the hearing on September 25, 2024, and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Improvement Area #1 Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of estimated costs of the Improvement Area #1 Improvements to the Assessed Property within Improvement Area #1 of the District, the purposes of the Assessments, the special benefits of the Improvement Area #1 Improvements, and the penalties and interest on Annual Installments of the Assessments and on delinquent Annual Installments; and

WHEREAS, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Improvement Area #1 Improvements to the Assessed Property within Improvement Area #1 of the District, the Improvement Area #1 Assessment Roll, and the levy of the Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City Council approved and accepted Ordinance No. 2024-09-634, which levied the Assessments, and approved and accepted the Service and Assessment Plan, including the Improvement Area #1 Assessment Roll, in conformity with the requirements of the PID Act; and

WHEREAS, the City Council found and determined that the Assessments should be levied as provided in the Service and Assessment Plan; and

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

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Improvement Area #1 Improvements, and other costs related to the issuance of the Bonds; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled “City of Oak Point, Texas, Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Project)” (the “Bonds”), such Bonds being payable solely from the Trust Estate and for the purposes set forth in the preamble of this Indenture; and

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

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" means any of the accounts established pursuant to Section 6.1 of this Indenture.

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

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

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

"Additional Interest Reserve Account" means the reserve account administered by the City and segregated from other funds of the City in accordance with the provisions of Section 6.7 of this Indenture.

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

"Additional Obligations" means any bonds or obligations (including specifically, any installment contracts, reimbursement agreements, temporary notes, or time warrants) secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within the District in accordance with the PID Act.

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

"Administrator" means the City or an 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. The initial Administrator is P3Works, LLC.

"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Improvement Area #1 Assessment Roll and Annual Service Plan Updates; (6) paying and redeeming the Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with the Service and Assessment Plan, the PID Act, and this Indenture, with respect to the Bonds, including the City's continuing disclosure requirements; and (9) 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, assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

"Annual Installment" means, with respect to each Assessed Parcel, each annual payment of the Assessments (including both principal and interest) as shown in the table of Improvement Area #1 Annual Installments attached to the Service and Assessment Plan as Exhibit F-2 and related to the Improvement Area #1 Improvements; which annual payment includes the Annual Collection Costs and the Additional Interest collected on each annual payment of the Assessments as described in Section 6.7 herein and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

"Annual Service Plan Update" means 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 of Texas or of the United States, 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 Parcel" means each Parcel of land located within Improvement Area #1 of the District against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

"Assessed Property" means, collectively, all Assessed Parcels.

"Assessment Ordinance" means Ordinance No. 2024-09-634 adopted by the City Council on September 25, 2024, that levied the Assessments on the Assessed Property located within Improvement Area #1 of the District.

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

"Assessments" means the aggregate assessments shown on the Improvement Area #1 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, as shown on the Improvement Area #1 Assessment Roll or in the Service and Assessment Plan, subject to reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

"Authorized Denomination" means $100,000 and any integral multiple of $1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Bond is less than $100,000, then the Authorized Denomination of such Outstanding Bond shall be the amount of such Outstanding Bond.

"Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act, including, but not limited to the Improvement Area #1 Improvements, and applicable Bond Issuance Costs or Annual Collection Costs, as described and listed in Section III of the Service and Assessment Plan or an Annual Service Plan Update.

"Bond" means any of the Bonds.

"Bond Fund" means the Fund of such name established pursuant to Section 6.1 and administered as provided in Section 6.4.

"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.

"Bond Ordinance" means Ordinance No. 2024-09-635 adopted by the City Council on September 25, 2024 authorizing the issuance of the Bonds pursuant to this Indenture.

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

"Bond Year" means the one-year period beginning on September 15 in each year and ending on September 14 in the following year.

"Bonds" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Oak Point, Texas, Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Project)".

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

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

“Certificate for Payment” means a certificate substantially in the form of Exhibit B to the Improvement Area #1 Construction, Funding and Acquisition Agreement or otherwise approved by the Developer and a City Representative executed by a Person approved by a City Representative, delivered to a City Representative and the Trustee specifying the amount of work performed related to the Improvement Area #1 Improvements and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in an account of the Project Fund, as further described in the Improvement Area #1 Construction, Funding and Acquisition Agreement and Section 6.5 herein.

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

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

“Closing Date” means the date of the initial delivery of and payment for the Bonds. With respect to the Bonds, the Closing Date is October 17, 2024.

"Closing Disbursement Request" means a certificate substantially in the form of Exhibit A attached to the Improvement Area #1 Construction, Funding and Acquisition Agreement or otherwise approved by the Developer and a City Representative executed by a City Representative or a Person approved by a City Representative, delivered to a City Representative and the Trustee at the time of the Closing Date, specifying the costs incurred in the establishment, administration, and operation of the District or issuing the Bonds, and requesting payment for such costs from money on deposit in the Costs of Issuance Account of the Project Fund, as further described in Section 6.5 herein.

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

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

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

“Delinquent Collection Costs” means the costs related to the foreclosure on an Assessed Parcel and the costs of collection of delinquent Assessments or delinquent Annual Installments due under the Service and Assessment Plan and in accordance with the PID Act, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing the Assessment, interest and penalty interest.

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

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

"District" means the Chaparral Park Public Improvement District.

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

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

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

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

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

"Improvement Area #1" means the initial phase to be developed within the District and further identified and depicted in Exhibit A-2 in the Service and Assessment Plan.

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

"Improvement Area #1 Construction, Funding and Acquisition Agreement" means that certain Chaparral Park Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement between the City and the Developer relating to the PID and the Bonds, dated as of September 25, 2024, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Improvement Area #1 Improvements in the District, the issuance of bonds, the reimbursement of costs to the Developer from assessments or the proceeds of the bonds for funds advanced by the Developer and used to pay costs of such Improvement Area #1 Improvements, and other matters related thereto.

"Improvement Area #1 Improvements" means the Authorized Improvements further described in Section III.A and depicted on Exhibit G of the Service and Assessment Plan which confer a special benefit to all of the Improvement Area #1 Assessed Property.

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

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

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

"Initial Bond" means the Initial Bond as set forth in Exhibit A to this Indenture.

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 15 and September 15 of each year, commencing March 15, 2025.

"Investment Securities" means those authorized investments described in the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; and provided further, such 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.

"Minor Amount Redemption" means a redemption, pursuant to Section 4.4 of this Indenture, of a principal amount of Bonds that is less than 10% of the Outstanding principal amount of the Bonds.

"Outstanding" means, as of any particular date when used with reference to the 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, and (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 herein.

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

"Parcel" means a specific property within the District identified by either a tax parcel identification number assigned by the Denton Central Appraisal District for real property tax purpose, by legal description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of Denton County, or by any other means determined by the City.

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

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

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

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

"Pledged Revenue Fund" means that fund of such name established pursuant to Section 6.1 and administered pursuant to Section 6.3 herein.

"Pledged Revenues" means the sum of (i) Assessment Revenue less the Annual Collection Costs and (ii) any additional revenues that the City may pledge to the payment of 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 Annual Installment.

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

"Project Fund" means that fund of such name established pursuant to Section 6.1 and administered pursuant to Section 6.5 herein.

"Purchaser" means the initial purchaser of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Rebate Fund" means that fund of such name established pursuant to Section 6.1 and administered pursuant to Section 6.8 herein.

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

"Redemption Fund" means that fund of such name established pursuant to Section 6.1 and administered pursuant to Section 6.6 herein.

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

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

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

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

"Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date of the Bonds, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date of the Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date for the Bonds, the Reserve Account Requirement is $796,742.50, which is an amount equal to the Maximum Annual Debt Service on the Bonds as of the Closing Date.

"Reserve Fund" means that fund of such name established pursuant to Section 6.1 and administered in Section 6.7 herein.

"Service and Assessment Plan" means the "Chaparral Park Public Improvement District Service and Assessment Plan" dated September 25, 2024, including the Improvement Area #1 Assessment Roll, as hereinafter amended, updated, and/or restated by an Annual Service Plan Update or otherwise, a version of which is attached as an exhibit to the Assessment Ordinance.

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

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

"Substantial Amount Redemption" means a redemption, pursuant to Section 4.4 of this Indenture, of a principal amount of the Bonds that is greater than or equal to 10% of the Outstanding principal amount of such Bonds.

"Supplemental Indenture" means an indenture which has been duly executed by the Trustee and the 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.

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

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

"Trustee" means Wilmington Trust, National Association, a national banking association, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

Section 1.2. Findings.

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

Section 1.3. Table of Contents, Titles and Headings.

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

Section 1.4. Interpretation.

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

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

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

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

ARTICLE II

THE BONDS

Section 2.1. Granting Clauses

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

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

(ii) Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the 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.

(b) The Trustee shall have and hold the Trust Estate, whether now owned or hereafter acquired or received by the Trustee and its successors or assigns, in trust upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds 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 all 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 shall remain in full force and effect.

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

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

Section 2.2. Security for the Bonds.

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

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

Section 2.3. Limited Obligations.

The Bonds are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; 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 2.4. 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 of the City. 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 or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.5. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds 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 of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of $11,549,000 for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements; (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Improvement Area #1 Improvements, and other costs related to the issuance of the Bonds.

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

(a) The Bonds shall be dated October 17, 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 Closing Date of the Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 15 and September 15 of each year, commencing March 15, 2025 computed on the basis of a 360-day year of twelve 30-day months.

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

Year	Principal Amount ($)	Interest Rate (%)
2031	1,238,000	4.250
2044	4,302,000	5.100
2054	6,009,000	5.250

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

Section 3.3. Conditions Precedent to Delivery of Bonds.

(a) 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:

(i) a certified copy of the Assessment Ordinance;

(ii) a certified copy of the Bond Ordinance;

(iii) a copy of the executed Improvement Area #1 Construction, Funding and Acquisition Agreement;

(iv) a copy of this Indenture executed by the Trustee and the City; and

(v) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

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; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from or on behalf of the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

(c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, United States mail, first-class, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each Owner as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

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

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for two years after the applicable payment or redemption date shall be applied to the next payment or payments on such Bonds 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 Owners 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 of Texas.

Section 3.5. Execution and Registration of Bonds.

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

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

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor or Mayor Pro Tem and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, 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 relevant Record Date) and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Trustee, nor the Paying Agent/Registrar, shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond 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, upon written direction, file and maintain a copy of the Register with the City, 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 bearing the same interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged for other Bonds 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 Authorized Denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity within 45 days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond redeemed 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. The Paying Agent/Registrar shall dispose of cancelled Bonds in accordance with its records retention requirements.

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

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State of Texas 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, 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.

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 letter of representations from the City to DTC. On the Closing 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.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption

and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, 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 letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds 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, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the City in part at the Redemption Price from moneys available

for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 15, 2031

Redemption Date	Sinking Fund Installment ($)
September 15, 2026	185,000
September 15, 2027	193,000
September 15, 2028	202,000
September 15, 2029	210,000
September 15, 2030	219,000
September 15, 2031*	229,000

*Stated Maturity

Term Bonds Maturing September 15, 2044

Redemption Date	Sinking Fund Installment ($)
September 15, 2032	239,000
September 15, 2033	251,000
September 15, 2034	265,000
September 15, 2035	278,000
September 15, 2036	293,000
September 15, 2037	308,000
September 15, 2038	325,000
September 15, 2039	342,000
September 15, 2040	360,000
September 15, 2041	379,000
September 15, 2042	399,000
September 15, 2043	420,000
September 15, 2044*	443,000

*Stated Maturity

Term Bonds Maturing September 15, 2054

Redemption Date	Sinking Fund Installment ($)
September 15, 2045	466,000
September 15, 2046	492,000
September 15, 2047	519,000
September 15, 2048	548,000
September 15, 2049	578,000
September 15, 2050	610,000
September 15, 2051	643,000
September 15, 2052	679,000
September 15, 2053	717,000
September 15, 2054*	757,000

*Stated Maturity

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

(c) The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the 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 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 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem the Bonds maturing on or after September 15, 2044, before their respective scheduled maturity date, in whole or in part, on any date on or after September 15, 2034, such redemption date or dates to be fixed by the City, at the Redemption Price for such Bonds.

Section 4.4. Extraordinary Optional Redemption.

Notwithstanding any provision in this Indenture to the contrary, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, and in an amount and on any date specified in a City Certificate, at the Redemption Price of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to the terms of this Indenture) or other transfers to the Redemption Fund under the terms of this Indenture, or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of this Indenture. The City will provide the Trustee a City Certificate directing the Bonds to be redeemed pursuant to this Section 4.4 in accordance with the provisions of Section 4.5 hereof.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4, Bonds shall be redeemed in minimum principal amounts of $1,000 or any integral multiple thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond is less than an Authorized Denomination after giving effect

to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000, may be issued.

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

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

(d) 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, as applicable, to be redeemed shall be selected in the following manner:

(i) with respect to a Substantial Amount Redemption, the principal amount called for redemption shall be allocated on a pro rata basis among all Outstanding Bonds; and

(ii) with respect to a Minor Amount Redemption, the Outstanding Bonds shall be redeemed in inverse order of maturity.

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

Section 4.6. Notice of Redemption to Owners.

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

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

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

(d) The 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 the

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

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

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 Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in Exhibit A to this Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (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 of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 5.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof; and none of the City, the Trustee, nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. 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 Owners of the Bonds and that neither the City nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 5.3. Legal Opinion.

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

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

(A) Bond Pledged Revenue Account.

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

(A) Capitalized Interest Account; and

(B) Principal and Interest Account.

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

(A) Improvement Area #1 Improvements Account; and

(B) Costs of Issuance Account.

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

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

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

(A) District Administration Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the 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.

(d) Except as set forth in Section 6.10(f), interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

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

(i) to the Capitalized Interest Account of the Bond Fund: $535,268.21;

(ii) to the Reserve Account of the Reserve Fund: $796,742.50;

(iii) to the Improvement Area #1 Improvements Account of the Project Fund: $9,240,078.00;

(iv) to the Costs of Issuance Account of the Project Fund: $523,752.97; and

(v) to the District Administration Account of the Administrative Fund: $40,000.00.

Section 6.3. Pledged Revenue Fund.

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

(b) From time to time as needed to pay the obligations relating to the Bonds, but no later than five Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account 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 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first, to the payment of interest, and second to the payment of principal (including any Sinking Fund Installments) on the Bonds, as described in Section 11.4(a) hereof.

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

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

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in an account of the Reserve

Fund, and the other deposits described in (a) above, the City may direct the Trustee, by City Certificate, to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

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

Section 6.4. Bond Fund.

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and/or interest then due and payable on the Bonds, 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 in the order described in Section 6.7(f) hereof. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

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

Date	**Amount ($)**
March 15, 2025	241,523.46
September 15, 2025	293,744.75

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #1 Improvements Account of the Project Fund, as directed by City Certificate, or if the Improvement Area #1 Improvements Account of the Project Fund has been closed as provided in Section 6.5(f) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

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

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates or an executed, completed, and accepted Closing Disbursement Request.

(c) Disbursements from the Improvement Area #1 Improvements Account of the Project Fund to pay Actual Costs of the Improvement Area #1 Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certificate for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #1 Improvements Account of the Project Fund pursuant to a Certificate for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Improvement Area #1 Construction, Funding and Acquisition Agreement. Such provisions and procedures related to such disbursements contained in the Improvement Area #1 Construction, Funding and Acquisition Agreement are herein incorporated by reference and deemed set forth herein in full.

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

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

(f) Upon the filing of a City Certificate stating that all Improvement Area #1 Improvements have been completed and that all Actual Costs of the Improvement Area #1 Improvements have been paid, or that any such Actual Costs of the Improvement Area #1 Improvements are not required to be paid from the Improvement Area #1 Improvements Account of the Project Fund pursuant to a Certificate for Payment or written direction from the City or its designee, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #1 Improvements Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfer, the Improvement Area #1 Improvements Account of the Project Fund shall be closed.

(g) Not later than six months following the Closing Date, or upon an earlier determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to an Account of the Project Fund and used to pay Actual Costs, or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

(a) The Trustee shall cause to be deposited to the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections

4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.

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

(b) The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 15 and September 15 of each year, commencing March 15, 2025, an amount equal to the Additional Interest collected, if any, as shown on the Improvement Area #1 Assessment Roll attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any later time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement, then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished to the Additional Interest Reserve Requirement. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #1 Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update unless and until it receives a City Certificate directing that a different amount be used.

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

(d) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds to be redeemed with Prepayments

multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds to be redeemed, as identified in a City Certificate as a result of such Prepayments and as a result of the transfer from the Reserve Account under this Section 6.7(d), the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of $1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount 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 debt service on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within 30 days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to a specified Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the Closing Date of the Bonds, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond.

(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 Additional Interest Reserve Account of the Reserve Fund to the Bond Fund and, second, from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

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

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

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

Section 6.8. Rebate Fund; Rebate Amount.

(a) There is hereby established a special fund of the City to be designated “City of Oak Point, Texas, Rebate Fund” (the “Rebate Fund”) to be held by the Trustee in accordance

with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts relating to the Bonds due the United States Government in accordance with the Code.

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

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

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

Section 6.9. Administrative Fund.

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

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

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account established pursuant to this Indenture shall be invested by the Trustee, as directed by the City pursuant to a City Certificate, filed with the Trustee at least two days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts

may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default. If the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee is hereby directed to hold such funds uninvested.

(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.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Certificate. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments. 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 the City and the Administrator, upon the written request of the City or the Administrator, monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder; and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.

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

(g) The Trustee may conclusively rely on City Certificates pursuant to Section 6.10(a) that such an investment will comply with the City's investment policy and with the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

Section 6.11. Security of Funds.

All Funds or Accounts heretofore created, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds or Accounts shall be used only for the purposes and in the manner permitted or required by this Indenture.

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

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

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws to cause no reduction, abatement or exemption in the Assessments.

(b) The City will determine or cause to be determined, no later than March 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the 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. Furthermore, nothing shall obligate the City, the City Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

(a) Other than 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, other than that specified in Section 9.6 of this Indenture, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, 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, and except as set forth in Section 13.2 hereof, the City shall not issue any bonds, notes or other evidences of indebtedness other

than the Bonds and Refunding Bonds, if any, secured by any pledge of or other lien or charge on the Trust Estate except for other indebtedness incurred in compliance with Section 13.2 hereof.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and the Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the 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 30 days after the City receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

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

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

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

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

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

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

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

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

"Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

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

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

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

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

(d) No Private Loan.

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

(ii) The City covenants and agrees that the levied Assessments will meet the requirements of the "tax assessment loan exception" within the meaning of Section 1.141-5(d) of the Regulations on the date the Bonds are delivered and will ensure that the Assessments continue to meet such requirements for so long as the Bonds are outstanding hereunder.

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

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

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

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

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

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

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Certificate, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, 100% of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, 90% of

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

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

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

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

ARTICLE VIII

LIABILITY OF CITY

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.

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.

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 (the "Bond Documents"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Annual Collection Costs) in the performance of any of its

obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the 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, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the 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.

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, the 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 seem reasonable.

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. Trustee as Paying Agent/Registrar.

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

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified by the Owners, to the extent permitted by law and the provisions of this Indenture, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except to the extent the same shall have been finally adjudicated by a court of competent jurisdiction to have been directly caused by the Trustee's own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments, or transfers (provided such payment or transfer is prior to an Event of Default) when required hereunder, or to delivering 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 indemnity, and in such case the Trustee may, to the extent permitted pursuant to the provisions of this Indenture, make transfers from the District Administration Account of the Administrative Fund, and to the extent moneys in the District Administration Account of the Administrative Fund are insufficient, from the Pledged Revenue Fund, to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

The Trustee accepts the trusts imposed upon it by this Indenture, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article, to all of which the parties hereto and the Owners agree.

(a) Prior to the occurrence of an Event of Default of which the Trustee has been notified, and after the cure or waiver of all defaults or Events of Default which may have occurred,

(i) the Trustee undertakes to perform only those duties and obligations which are set forth specifically and expressly in this Indenture, and no duties or obligations shall be implied to the Trustee, these duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties, and no implied covenants shall be read into this Indenture against the Trustee; and

(ii) the Trustee may request and rely conclusively, as to the due execution, the truth of the statements, and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance therewith; but in the case of any such certificates or opinions which by any provision hereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified in writing, or is deemed to have notice), the Trustee shall exercise those rights and powers vested in it by this Indenture and shall use the same degree of care and

skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) this subparagraph shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subparagraph (a)(1) of this Section or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in subparagraph (a)(2) of this Section;

(ii) the Trustee shall not be liable for any actions taken, or error of judgment, made in good faith by any one of its officers, employees or agents unless it shall be finally adjudicated by a court of competent jurisdiction that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the controlling Owners 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; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.

(d) 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 the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the offering documents, this Indenture, or the Bonds 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; or (iv) any calculation of arbitrage or rebate under the Code. The Trustee has the right to act through agents and attorneys and shall have no liability for the acts or omissions of any of the agents and attorneys appointed by it with due care.

(e) 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.

(f) 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 such losses, damages, or expenses which have been fully adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's own negligence or willful misconduct. In no event shall the Trustee be liable

for incidental, indirect, punitive, special or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) in connection with or arising from this Indenture, irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee will not be liable with respect to any action taken or omitted to be taken 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.

(g) 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.

(h) Except for its certificate of authentication on the Bonds, the Trustee shall not be responsible for:

(i) the validity, priority, recording, re-recording, filing or re-filing of this Indenture or any Supplemental Indenture,

(ii) any instrument or document of further assurance or collateral assignment,

(iii) the filing, execution, delivery, recording, or authorization of any financing statements, amendments thereto or continuation statements,

(iv) insurance of the Improvement Area #1 Improvements or collection of insurance money,

(v) the validity of the execution by the City of this Indenture, any Supplemental Indenture or instruments or documents of further assurance, or

(vi) the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(i) The Trustee shall not be accountable for the application by any Person of the proceeds of any Bonds authenticated or delivered hereunder; provided the Trustee follows the written instructions provided by the City with respect to the use of the proceeds of the Bonds.

(j) The Trustee, as an Annual Collection Cost, may request, conclusively rely on and shall be protected in acting upon any resolution, statement, instrument, opinion, report, notice, request, direction, consent, certificate, order, judgment, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, not only as to due execution, validity, and effectiveness, but also as to the truth and accuracy of any information contained therein. Any action taken by the Trustee pursuant to this Indenture upon the direction, request, authority or consent of any Person who is the Owner of any Bonds at the time of making the request or giving the authority or consent, shall be conclusive and binding upon all future Owners of the same Bond and of Bonds issued in exchange therefor or in place thereof.

(k) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any events or information, default or Event of Default, except Events of Default described in Section 11.1(a)(i), unless the Trustee has actual knowledge thereof or shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of more than 66-2/3% of the aggregate outstanding principal amount of Bonds. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above.

(l) The Trustee shall not be required to give any bond or surety with respect to the execution of these trusts and powers or otherwise in respect of the premises.

(m) Any resolution by the City, and any opinions, certificates and other instruments and documents for which provision is made in this Indenture, may be accepted by the Trustee, in the absence of bad faith on its part, as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its actions or inactions taken hereunder.

(n) The Trustee shall be entitled to file proofs of claim in bankruptcy at the direction of no less than 66-2/3% of the Owners. Ordinary trustee and paying agent/registrar fees and expenses and extraordinary fees and expenses of the Trustee and the Paying Agent/Registrar incurred hereunder are intended to constitute administrative expenses in bankruptcy.

(o) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation for trustee and paying agent/registrar services, subject to the limitations set forth herein, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds.

(p) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(q) 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, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(r) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and, with respect to such permissive rights, the Trustee shall not be answerable for other than its negligence or willful misconduct.

(s) The Trustee shall not be responsible or liable for the environmental condition or any contamination of the Improvement Area #1 Improvements or any real property or improvements related thereto or for any diminution in value of the same as a result of any contamination by any hazardous substance, hazardous material, pollutant or contaminant. The Trustee shall not be liable for any claims by or on behalf of the Owners or any other person or

entity arising from contamination by any hazardous substance, hazardous material, pollutant or contaminant, and shall have no duty or obligation to assess the environmental condition of the Improvement Area #1 Improvements or any real property or improvements related thereto or with respect to compliance thereof under state or federal laws pertaining to the transport, storage, treatment or disposal of, hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits or licenses issued under such laws.

(t) Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the City, or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(u) In the event that any assets held hereunder shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting such assets, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(v) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

Section 9.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. Trustee Protected in Relying on Certain Documents.

The Trustee may, as an Annual Collection Cost, request, conclusively rely on and shall be protected in acting or refraining from acting upon any resolution, instrument, opinion, report, direction, order, notice, judgment, request, consent, waiver, certificate, statement, affidavit, requisition, bond, debenture, note or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith 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 for any action taken or omitted to be taken upon the

advice or written opinion of any counsel, architect, engineer, insurance consultant, management consultant, accountant or other professional retained or consulted by the Trustee, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3 hereof, the Trustee may consult with counsel, selected by the Trustee with due care, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of, and the Trustee shall not be liable for, any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith.

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

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13 herein.

Section 9.6. Compensation.

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

In the event that the Trustee renders any service not contemplated in this Indenture, or if any material controversy arises hereunder, or the Trustee is made a party to any litigation pertaining to this Indenture or the subject matter hereof, then the Trustee shall, subject to the limitations set forth herein, be compensated from any and all funds at any time held by it for such extraordinary services and any services or work performed by Trustee in connection with any delay, controversy, litigation or event, and reimbursed for all costs and expenses, including

reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event.

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 Owners 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 Owners of a majority in aggregate outstanding principal amount of the Bonds.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' 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.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time on 30 days' advance written notice to the Trustee by (i) the Owners of at least a majority of the aggregate Outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) the City, so long as the City is not in default under this Indenture. 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% of the aggregate Outstanding principal 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 as bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

(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% of the aggregate outstanding principal 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) Unless and until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith (and in no event in excess of 30 days after such vacancy occurs) appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds in accordance with the immediately preceding paragraph.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein 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 and Applicable Laws.

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

(g) Trustee shall not be responsible for or liable for the acts or omissions of any successor trustee, nor shall it be responsible or liable for any costs of appointment or transition of such successor trustee.

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 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, including any supplement or amendment to this

Indenture, 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 converted or 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 and will have and succeed to the rights, powers, duties, immunities, and privileges as predecessor, 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 may file or cause to be filed, such continuation statements as are delivered to the Trustee by the City, or on behalf of the City, 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. Under no circumstances shall the Trustee have an obligation or responsibility to file such financing statements or continuation statements except as provided in this Section.

Section 9.14. Construction of Indenture.

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

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, executed by both the City and the Trustee, 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 at least 51% of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws and this Indenture), or reduce the percentage of Owners of Bonds required for the

amendment hereof. Any such amendment may not modify any of the rights, immunities or obligations of the Trustee without its written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

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

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

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

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

(d) Notwithstanding the above, no Supplemental Indenture under this Section shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment or supplement: (i) is permitted under Applicable Laws and the provisions of this Indenture in effect after taking into account the proposed amendment or supplement; (ii) will not adversely affect the interests of the Owners in any material respect; provided, however, that an appointment of a successor trustee in accordance with the provisions hereof and the issuance of Refunding Bonds in accordance with the provisions of Section 13.2 hereof are each deemed to not be a material adverse effect for purposes of such opinion; and (iii) will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation.

Section 10.2. Owners' Meetings.

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

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

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 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first-class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided and the City or Bond Counsel, acting on the City's behalf, 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 any Bond 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 herein. 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.

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 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; provided, that the Trustee shall have no obligation to take or refrain from taking any such action and the Trustee shall have no liability with respect to any action taken or any instance of inactions.

Section 10.4. Effect of Supplemental Indenture.

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

Section 10.5. Endorsement or Replacement of Bonds 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 10.6. 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 10.7. Waiver of Default.

Subject to the second and third sentences of Section 10.1 hereof, with the written consent of at least 51% of the Owners in aggregate principal amount of the Bonds then Outstanding, the Owners may waive non-compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners. For the avoidance of doubt, any waiver given pursuant to this Section shall be subject to Section 11.5 hereof.

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the 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 and immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

(a) Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;

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

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

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

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

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners of at least 25% of the Bonds then Outstanding and its receipt of indemnity satisfactory to it, shall proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by this Indenture or by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

(b) 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 all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

(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, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least 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; 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 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 and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

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

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

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

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in

person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

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

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first-class, postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

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.

Section 11.10. Remedies Not Exclusive.

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

Section 11.11. Direction by Owners.

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

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The 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 Pledged Revenues and the Trust Estate are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

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

(d) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of the 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.

Section 12.2. Accounts, Periodic Reports and Certificates.

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

Section 12.3. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Additional Obligations; Other Liens.

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

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds issued in accordance with this Section, 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 or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired.

(c) Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds.

(d) Notwithstanding anything to the contrary herein, no Refunding Bonds, Additional Obligations, or subordinate obligations may be issued by the City unless: (1) the principal (including sinking fund installments) of such Refunding Bonds, Additional Obligations, or subordinate obligations are scheduled to mature on September 15 of the years in which principal is scheduled to mature, and (2) the interest on such Refunding Bonds, Additional Obligations or subordinate obligations must be scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid.

Section 13.3. Books of Record.

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

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. Bonds Deemed Paid.

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

the City verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed in writing by the 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.

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 exhibit(s) hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

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

Whenever in this Indenture or any Supplemental Indenture either the 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.

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

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

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

Any request, declaration or other instrument or writing of the Owner of any Bond 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. Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

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

If to the City:	City of Oak Point, Texas 100 Naylor Road Oak Point, Texas 75068 Attn: City Manager
If to the Trustee or the Paying Agent/Registrar:	Wilmington Trust, National Association 15950 North Dallas Parkway, Suite 200 Dallas, Texas 75248 Attn: Parker Merritt

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.

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

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

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with

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

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The 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 any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas. With respect to this Indenture and any conflicts arising therefrom, the parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal district or state district court with jurisdiction in Denton County, Texas, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party. Each of the parties hereto hereby waives the right to trial by jury with respect to any litigation directly or indirectly arising out of, under, or in connection with this Indenture.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken

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

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original. The City and the Trustee agree that electronic signatures to this Indenture may be regarded as original signatures.

Section 15.10. Statutory Verifications.

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

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

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

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

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

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

CITY OF OAK POINT, TEXAS

By: _____
Scott Dufford, Mayor Pro Tem

ATTEST:

_____
Joni Vaughn, City Secretary

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

(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. _____

REGISTERED
$_____

United States of America
State of Texas

CITY OF OAK POINT, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2024
(CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	September 15, 20__	September 25, 2024	_____

The City of Oak Point, 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 Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 15 and September 15 of each year, commencing March 15, 2025, until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture 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 Wilmington, Delaware (the "Designated Payment/Transfer Office"), of Wilmington Trust, National Association, as trustee and paying agent/registrar (the "Trustee",

which term includes any successor trustee under the Indenture), 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 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 (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the 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 October 17, 2024 and issued in the aggregate principal amount of $11,549,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of October 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 Actual Costs of the Improvement Area #1 Improvements, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Improvement Area #1 Improvements, and other costs related to the issuance of the Bonds.

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

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 Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of $100,000 and any multiple of $1,000 in excess thereof.

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

Term Bonds Maturing September 15, 2031

Redemption Date	Sinking Fund Installment ($)
September 15, 2026	185,000
September 15, 2027	193,000
September 15, 2028	202,000
September 15, 2029	210,000
September 15, 2030	219,000
September 15, 2031*	229,000

*Stated Maturity

Term Bonds Maturing September 15, 2044

Redemption Date	Sinking Fund Installment ($)
September 15, 2032	239,000
September 15, 2033	251,000
September 15, 2034	265,000
September 15, 2035	278,000
September 15, 2036	293,000
September 15, 2037	308,000
September 15, 2038	325,000
September 15, 2039	342,000
September 15, 2040	360,000
September 15, 2041	379,000
September 15, 2042	399,000
September 15, 2043	420,000
September 15, 2044*	443,000

*Stated Maturity

Term Bonds Maturing September 15, 2054

Redemption Date	Sinking Fund Installment ($)
September 15, 2045	466,000
September 15, 2046	492,000

September 15, 2047	519,000
September 15, 2048	548,000
September 15, 2049	578,000
September 15, 2050	610,000
September 15, 2051	643,000
September 15, 2052	679,000
September 15, 2053	717,000
September 15, 2054*	757,000

*Stated Maturity

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

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 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.

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.

The City reserves the right and option to redeem the Bonds maturing on and after September 15, 2044 before their scheduled maturity date, in whole or in part, on any date on or after September 15, 2034, such redemption date or dates to be fixed by the City, at the redemption price of par plus accrued interest to the date of redemption.

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

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

so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond redeemed 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.

The City has reserved the right to issue Additional Obligations on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF OAK POINT, TEXAS, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

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

_____
Mayor Pro Tem, City of Oak Point, Texas

_____
City Secretary, City of Oak Point, Texas

[City Seal]

(b) Form of Comptroller's Registration Certificate.

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

_____
Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

DATED: _____

By:_____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

_____
_____
_____

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

Date: _____ _____

Signature Guaranteed By:

_____

_____

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 Exhibit A, except for the following alterations:

(i) immediately under the name of the Bond the heading “INTEREST RATE” and “MATURITY DATE” shall both be completed with the expression “As Shown Below,” and the reference to the “CUSIP NUMBER” shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule":

Years	Principal Amount ($)	Interest Rate (%)

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

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

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APPENDIX C

SERVICE AND ASSESSMENT PLAN

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Chaparral Park Public Improvement District

SERVICE AND ASSESSMENT PLAN

SEPTEMBER 25, 2024

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

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INTRODUCTION

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

On April 30, 2024, the City Council passed and approved Resolution No. 2024-04-12R authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon the date the resolution was adopted in accordance with the provisions as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 131.705 acres located within the corporate limits of the City, as described by the legal description on **Exhibit J-1** and depicted on **Exhibit A-1**.

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

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

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

SECTION I: DEFINITIONS

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

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

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

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

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

Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

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

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

"Assessment" means an assessment levied against Assessed Property, other than Non-Benefited Property, to pay the costs of certain Authorized Improvements as specified herein, which Assessment is imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, and is subject to reallocation upon the subdivision of such Assessed Property or reduction according to the provisions herein and in the PID Act.

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

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

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

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

"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 (including the fee of counsel to the underwriter), 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 Oak Point, Texas.

"City Council" means the governing body of the City.

"County" means Denton County, Texas.

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

"Developer" means Bloomfield Homes, LP and any successors or assignees thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

"District" means Chaparral Park Public Improvement District containing approximately 131.705 acres located within the corporate limits of the City, and more specifically described in **Exhibit J-1** and depicted in **Exhibit A-1.**

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

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

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

"Improvement Area #1" means approximately 56.936 acres located within the District, as more specifically described in **Exhibit J-2** and depicted on **Exhibit A-2**.

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

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

"Improvement Area #1 Assessment" means an Assessment levied against Improvement Area #1 Assessed Property to pay the Actual Costs of the Improvement Area #1 Authorized Improvements, which Improvement Area #1 Assessment is imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, and is subject to reallocation upon the subdivision of such Parcel or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

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

"Improvement Area #1 Authorized Improvements" means collectively, (1) the Improvement Area #1 Improvements; (2) Bond Issuance Costs associated with the issuance of the Improvement Area #1 Bonds; and (3) the first year's Annual Collection Costs related to the Improvement Area #1 Bonds.

"Improvement Area #1 Bonds" means those certain "City of Oak Point, Texas, Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Projects)" that are secured by Improvement Area #1 Assessments.

"Improvement Area #1 Improvements" means the Authorized Improvements further described in **Section III.A** and depicted on **Exhibit G** which confer a special benefit to all of the Improvement Area #1 Assessed Property.

"Improvement Area #1 Initial Parcel" means all of the Improvement Area #1 Assessed Property against which the entire Improvement Area #1 Assessment is currently levied, as shown on the Improvement Area #1 Assessment Roll in **Exhibit F-1**.

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

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

"Lot Type" means a classification of final building Lots with similar characteristics (e.g. Lot size, home product, Estimated Buildout Value, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as provided by the Developer, and confirmed by the City Council, as shown on **Exhibit E**, and the anticipated Lot Type classification map is identified on **Exhibit A-3**. The buyer disclosure for each Lot Type is attached in **Appendix B**.

"Lot Type 1" means a Lot Type within Improvement Area #1 marketed to homebuilders with a front property line width of 50' lot or 55' lot. The buyer disclosure for Lot Type 1 is attached hereto as part of **Appendix B**.

"Lot Type 2" means a Lot Type within Improvement Area #1 marketed to homebuilders with a front property line width of 60' lot or 65' lot. The buyer disclosure for Lot Type 2 is attached hereto as part of **Appendix B**.

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

"MSUD" means Mustang Special Utility District.

"Non-Assessed Property" means Parcels that accrue special benefit from a portion of the public improvements which amounts are included in the total costs of the Authorized Improvements in the Engineer's Report as determined by the Developer's engineer, but which are not assessed. The Non-Assessed Property includes a commercial site of approximately 16.079 acres located outside and adjacent to the boundaries of the District. The Developer is to pay for the costs of the improvements that benefit the Non-Assessed Property, located outside the boundary of the District, described in the Engineer's Report, attached hereto as **Appendix A** and shown on **Exhibit B**, through Developer contribution.

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

"Notice of Assessment Termination" means a document that shall be recorded in the official public records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit H.**

"Parcel" or **"Parcels"** means a specific property within the District identified by either a tax parcel identification number assigned by the Denton Central Appraisal District for real property tax purposes, by legal description, or by Lot and block number in a final subdivision plat recorded in plat or the official public records of the County, or by any other means determined by the City.

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

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

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

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

"Private Improvements" means improvements required to be constructed, or caused to be constructed, by the Developer to deliver final Lots and that are not Authorized Improvements. Costs of the Private Improvements will not be paid nor reimbursed from the proceeds of PID Bonds or otherwise from revenues received from the collection of Annual Installments.

"Service and Assessment Plan" means this Chaparral Park Public Improvement District Service and Assessment Plan as updated, amended, or supplemented from time to time.

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

"Trustee" means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 131.705 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described by the legal description on **Exhibit J-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 531 Lots developed with single-family homes.

Improvement Area #1 includes approximately 56.936 contiguous acres, the boundaries of which are more particularly described by legal description on **Exhibit J-2** and depicted on **Exhibit A-2**. Development of Improvement Area #1 is anticipated to include approximately 241 Lots developed with single-family homes (139 single-family homes that are on Lots classified as Lot Type 1, and 102 single-family homes that are on Lots classified as Lot Type 2).

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information in the Engineer's Report provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. The Authorized Improvements will be designed and constructed in accordance with the applicable City and MSUD standards, regulations, requirements, and specifications and will be owned and operated by the City or MSUD, as appropriate. The budget for the Authorized Improvements is shown on **Exhibit B**.

A. Improvement Area #1 Improvements

- *Paving*

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

- *Sanitary Sewer*

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

- *Storm Drainage*

  Improvements including earthen channels, swales, trench excavation and embedment, curb and drop inlets, RCP piping and boxes, headwalls, manholes, rock rip rap, concrete outfalls, trench safety, and testing as well as all related earthwork, excavation, erosion control, traffic control, encasement, platting, staking, and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

- *Water*

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

- *Soft Costs*

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

B. Bond Issuance Costs

- *Debt Service Reserve Fund*

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

- *Capitalized Interest*

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

- *Underwriter's Discount*

  Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds, including the fee of counsel to the underwriter.

- *Cost of Issuance*

  Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney's fees, financial advisory fees, consultant fees, appraisal fees, printing

costs, publication costs, City's costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

C. Other Costs

- *Deposit to Administrative Fund*

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

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to (i) cover a period of at least five years, (ii) define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period, and (iii) include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the initial Service Plan for Improvement Area #1. Pursuant to the PID Act and Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B.**

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements and Private Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update to reflect any budget revisions and Actual Costs.

SECTION V: ASSESSMENT PLAN

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

This section of this Service and Assessment Plan describes the special benefit received by each Assessed Property 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 levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the Assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

A. Assessment Methodology

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

- The costs of the Improvement Area #1 Authorized Improvements shall be allocated to each Improvement Area #1 Assessed Property pro rata based on the Estimated Buildout Value of each Improvement Area #1 Assessed Property to the Estimated Buildout Value of all Improvement Area #1 Assessed Property. Currently, the Improvement Area #1 Initial Parcel is the only Parcel within Improvement Area #1, and as such, the Improvement Area #1 Initial Parcel is allocated 100% of the Improvement Area #1 Authorized Improvements.

B. Assessments

The Improvement Area #1 Assessment shall be levied on the Improvement Area #1 Initial Parcel according to the amount shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F-1**. The Improvement Area #1 Annual Installments are shown on **Exhibit F-2** and are subject to revisions made in any Annual Service Plan Update. Upon division or subdivision of the Improvement Area #1 Initial Parcel, the Improvement Area #1 Assessment will be reallocated pursuant to **Section VI** and is subject to revisions made in any Annual Service Plan Update.

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

C. Findings of Special Benefit

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

- *Improvement Area #1*
    - The costs of the Improvement Area #1 Authorized Improvements equal $11,549,000 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
    - The Improvement Area #1 Initial Parcel shall initially be allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements, which equals $11,549,000 as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F-1**; and
    - The special benefit ($\geq$ $11,549,000), inclusive of the Original Issue Discount, received by the Improvement Area #1 Initial Parcel from the Improvement Area #1 Authorized Improvements is equal to or greater than the amount of the Improvement Area #1 Assessment ($11,549,000) to be levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Authorized Improvements; and
    - At the time the City Council approved this Service and Assessment Plan, the Developer owned 100% of the Improvement Area #1 Initial Parcel. The Developer acknowledged that the Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Initial Parcel and consented to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The Developer 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 applicable Assessment Ordinance; (2) this Service and Assessment Plan and the applicable Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Initial Parcel.

D. Annual Collection Costs

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

E. Additional Interest

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

SECTION VI: TERMS OF THE ASSESSMENTS

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

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

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

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, relying on information from homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property, as provided by the Developer. The Estimated Buildout Value for Lot Type 1 and Lot Type 2 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive.

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 next Annual Service Plan Update and approved by the City Council.

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

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

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

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

3. Upon Consolidation

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

B. Mandatory Prepayment of Assessments

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

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

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

D. Reduction of Assessments

If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement, the Actual Costs of completed Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that a related series of PID Bonds are issued, the Trustee shall apply amounts on deposit in the

applicable account of the project fund created under the Indenture relating to such series of PID Bonds, that are not expected to be used for the purposes of the project fund to redeem outstanding PID Bonds, unless otherwise 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 F-2** shows the Improvement Area #1 Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual

Installment shall be allocated pro rata based on the acreage of the property not including any Non-Benefited Property, as shown by the Denton 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 Roll(s) and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

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

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

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

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs. The City may provide for other means of collecting the Annual Installments to the extent permitted by the PID Act, or other applicable law.

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

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

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

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

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

Prepayment of the Assessment against the Retained Property and the Assessment on the Retained Property shall be adjusted to be $90.

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

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

SECTION VII: ASSESSMENT ROLL

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

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 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. The Administrator shall provide a written response to the City Council and the owner not later than 30 days of such receipt of a written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable Assessment

Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

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

C. Administration and Interpretation

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

D. Form of Buyer Disclosure; Filing Requirements

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

E. Severability

If any provision of this 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.

[Remainder of page intentionally left blank.]

EXHIBITS

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

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

APPENDICES

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

Appendix A	Engineer's Report
Appendix B	Buyer Disclosures

EXHIBIT A-1 – MAP OF THE DISTRICT

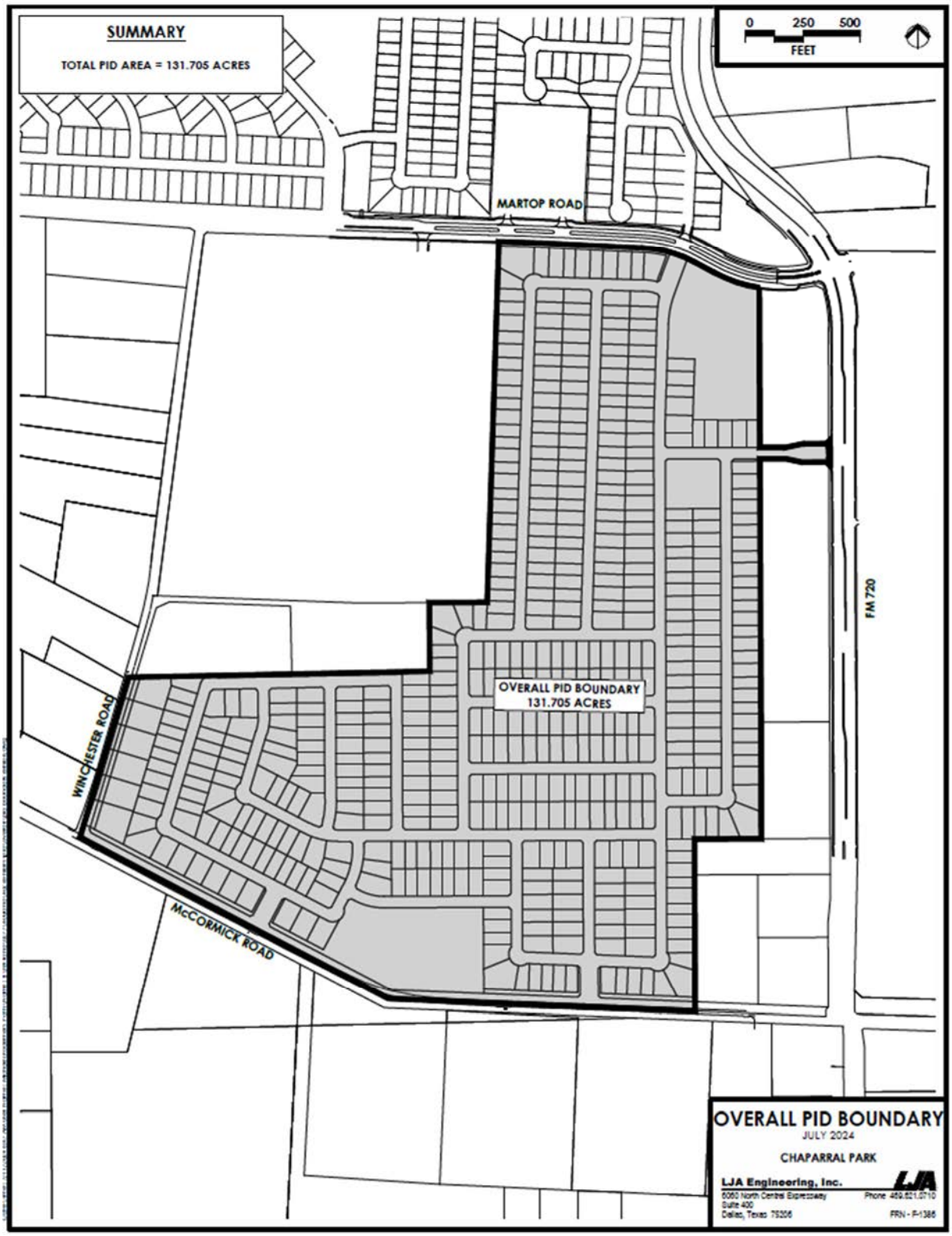


EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1

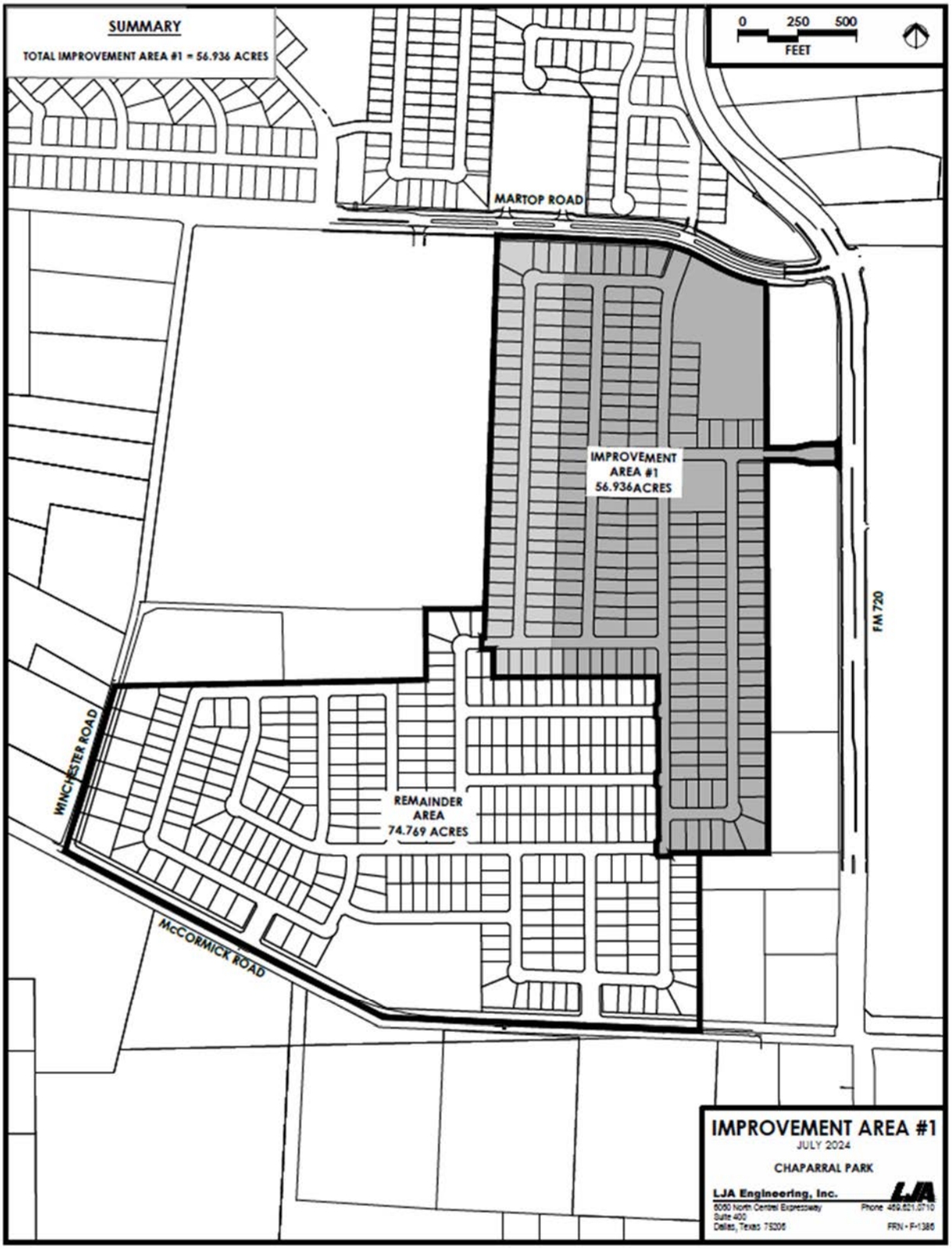


EXHIBIT A-3 – LOT TYPE CLASSIFICATION MAP



EXHIBIT B – PROJECT COSTS

	Total[a]	Non-PID (Oversizing)[b]	Non-Assessed Property[c]	Private Improvements[d]	Authorized Improvements	Improvement Area #1[e] %	Improvement Area #1[e] Cost
Major Improvements [f]							
Sanitary Sewer[g]	$ 287,955	$ -	$ -	$ 287,955	$ -	0.00%	$ -
Soft Costs[h]	35,500	-	-	35,500	-	0.00%	-
	$ 323,455	$ -	$ -	$ 323,455	$ -		$ -
Improvement Area #1 Improvements							
Paving	$ 3,273,344	$ -	$ -	$ 172,475	$ 3,100,869	100%	$ 3,100,869
Sanitary Sewer[g]	1,368,062	30,900	75,247	-	1,261,914	100%	1,261,914
Storm Drainage	1,726,321	-	-	80,365	1,645,956	100%	1,645,956
Water[g]	1,512,935	178,035	14,584	-	1,320,316	100%	1,320,316
Soft Costs[h]	2,014,473	53,408	22,963	27,080	1,911,022	100%	1,911,022
	$ 9,895,136	$ 262,343	$ 112,794	$ 279,920	$ 9,240,078		$ 9,240,078
Private Improvements [i]							
Private Improvements	$ 4,333,630	$ -	$ -	$ 4,333,630	$ -		$ -
	$ 4,333,630	$ -	$ -	$ 4,333,630	$ -		$ -
Bond Issuance Costs [j]							
Debt Service Reserve Fund	$ 796,743	$ -	$ -	$ -	$ 796,743		$ 796,743
Capitalized Interest	535,268	-	-	-	535,268		535,268
Underwriter's Discount	346,470	-	-	-	346,470		346,470
Cost of Issuance	523,753	-	-	-	523,753		523,753
	$ 2,202,234	$ -	$ -	$ -	$ 2,202,234		$ 2,202,234
Other Costs							
Deposit to Administrative Fund	$ 40,000	$ -	$ -	$ -	$ 40,000		$ 40,000
	$ 40,000	$ -	$ -	$ -	$ 40,000		$ 40,000
Total	**$ 16,794,454**	**$ 262,343**	**$ 112,794**	**$ 4,937,005**	**$ 11,482,312**		**$ 11,482,312**

Footnotes:

[a] As provided in the Engineer's Report dated 8/20/2024 and subject to change, attached hereto as **Appendix A**. Authorized Improvement costs are estimates and will be updated with each Annual Service Plan Update, or Amended and Restated Service and Assessment Plan as appropriate.

[b] Costs for oversizing improvements as provided by the Developer's engineer in correspondence on 5/21/2024. Such costs are not eligible for reimbursement through the collection of Annual Installments or PID Bonds and are not Authorized Improvements. The Developer has agreed to pay for the allocable share of the Actual Costs of these oversizing improvements and is shown as Developer Contribution - Oversizing Improvements on **Exhibit D**.

[c] Public improvement costs that benefit the Non-Assessed Property as determined and provided by the Developer's engineer in correspondence on 7/16/2024. The Developer to pay for the costs of the public improvements and associated soft costs that benefit the Non-Assessed Property and is shown as Developer Contribution - Non-Assessed Property on **Exhibit D**.

[d] Costs required to complete Lots in Improvement Area #1 to reach final Lot completion; non-reimbursable to the Developer from the collection of Annual Installment or PID Bonds.

[e] Total project costs exclude Original Issue Discount.

[f] The Developer has agreed to pay for the costs of the major improvements and is shown as Developer Contribution = Major Improvements on **Exhibit D**. Such costs are not eligible for reimbursement through the collection of Annual Installments or PID Bonds.

[g] MSUD will assume ownership and maintenance responsibility.

[h] Soft Costs includes desinging, engineering, surveying, inspecting, testing, construction management, District Formation Costs, and contingency.

[i] Private Improvements include landscaping, detention pond, residential lot excavation, residential retaining walls, associated soft costs, and fees and costs not otherwise classified as Authorized Improvements.

[j] Original Bond Issuance Costs were preliminary estimates and subject to change. Bond Issuance Costs have been updated to reflect the anticipated actual costs.

EXHIBIT C – SERVICE PLAN

Improvement Area #1						
Annual Installments Due		**1/31/2025**	**1/31/2026**	**1/31/2027**	**1/31/2028**	**1/31/2029**
Principal		$ -	$ 185,000.00	$ 193,000.00	$ 202,000.00	$ 210,000.00
Interest		535,268.21	587,489.50	579,627.00	571,424.50	562,839.50
Capitalized Interest		(535,268.21)	-	-	-	-
	(1)	$ -	$ 772,489.50	$ 772,627.00	$ 773,424.50	$ 772,839.50
Additional Interest	(2)	$ 57,745.00	$ 57,745.00	$ 56,820.00	$ 55,855.00	$ 54,845.00
Annual Collection Costs	(3)	$ 40,000.00	$ 40,800.00	$ 41,616.00	$ 42,448.32	$ 43,297.29
Total Annual Installment	**(4) = (1) + (2) + (3)**	**$ 97,745.00**	**$ 871,034.50**	**$ 871,063.00**	**$ 871,727.82**	**$ 870,981.79**

EXHIBIT D – SOURCES AND USES OF FUNDS

	Privately Funded[a]	Improvement Area #1 Authorized Improvements	Total
Sources of Funds			
Improvement Area #1 Bonds	$ -	$ 11,549,000	$ 11,549,000
Original Issue Discount	-	(66,688)	(66,688)
Developer Contribution - Oversizing Improvements[b]	262,343	-	262,343
Developer Contribution - Improvement Area #1[b], [c]	279,920	-	279,920
Developer Contribution - Major Improvements[b]	323,455	-	323,455
Developer Contribution - Non-Assessed Property[d]	112,794	-	112,794
Developer Contribution - Private Improvements[b]	4,333,630	-	4,333,630
Total Sources	**$ 5,312,142**	**$ 11,482,312**	**$ 16,794,454**
Uses of Funds			
Major Improvements[b]	$ 323,455	$ -	$ 323,455
Improvement Area #1 Improvements[c]	279,920	9,240,078	9,519,998
Oversizing Improvements	262,343	-	262,343
Non-Assessed Property Improvements[d]	112,794	-	112,794
Private Improvements[b]	4,333,630	-	4,333,630
	$ 5,312,142	$ 9,240,078	$ 14,552,220
Bond Issuance Costs [e]			
Debt Service Reserve Fund	$ -	$ 796,743	$ 796,743
Capitalized Interest[f]	-	535,268	535,268
Underwriter's Discount	-	346,470	346,470
Cost of Issuance	-	523,753	523,753
	$ -	$ 2,202,234	$ 2,202,234
Other Costs			
Deposit to Administrative Fund	$ -	$ 40,000	$ 40,000
	$ -	$ 40,000	$ 40,000
Total Uses	**$ 5,312,142**	**$ 11,482,312**	**$ 16,794,454**

Footnotes:

[a] Privately Funded uses of funds include the Private Improvements portion of the Major Improvements, Private Improvements, and oversizing and Non-Assessed Property public improvements.

[b] Non-reimbursable to the Developer from the collection of Annual Installments or PID Bonds.

[c] Privately Funded portion of costs for Improvement Area #1 Improvements include costs required to complete Lots in Improvement Area #1 to reach final Lot completion that are not otherwise Authorized Improvements; non-reimbursable to the Developer from the collection of Annual Installment or PID Bonds.

[d] Public improvement costs that benefit the Non-Assessed Property as further determined and provided by the Developer's engineer in correspondence dated 7/16/2024. The Developer to pay for the Actual Costs of these public improvements and associated soft costs that benefit the Non-Assessed Property. These costs are non-reimbursable to the Developer from the collection of Annual Installments or PID Bonds.

[e] Original Bond Issuance Costs were preliminary estimates and subject to change. Bond Issuance Costs have been updated to reflect the anticipated actual costs.

[f] Includes 12 months of Capitalized Interest for Improvement Area #1 Bonds.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units[a]	Appraised Lot Value[b]		Estimated Buildout Value[a]		Maximum Assessment		Average Annual Installment		Tax Rate Equivalent
		Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	
Improvement Area #1										
Lot Type 1[c]	139	$ 106,896	$ 14,858,550	$ 598,571	$ 83,201,429	$ 44,362.66	$ 6,166,409	$ 3,346.73	$ 465,195	$ 0.5591
Lot Type 2[d]	102	$ 118,191	$ 12,055,450	$ 712,016	$ 72,625,608	$ 52,770.50	$ 5,382,591	$ 3,981.01	$ 406,063	$ 0.5591
Improvement Area #1 Subtotal	**241**		**$ 26,914,000**		**$ 155,827,037**		**$ 11,549,000**		**$ 871,258**	

Footnotes:

[a] Per information provided by the Developer dated 8/19/2024.

[b] As provided in the draft appraisal dated 8/14/2024, and subject to change.

[c] Appraised Lot Value and Estimated Buildout Value based on weighted average of Lots generally marketed to homebuilders with a front property line width of 50' lot and 55' lot.

[d] Appraised Lot Value and Estimated Buildout Value based on weighted average of Lots generally marketed to homebuilders with a front property line width of 60' lot and 65' lot.

EXHIBIT F-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID[a]	Lot Type	Outstanding Assessment	Annual Installment Due 1/31/2025[b]
131846	Improvement Area #1 Initial Parcel	$ 1,463,684.45	$ 12,387.90
131849	Improvement Area #1 Initial Parcel	$ 1,875,467.67	$ 15,873.03
147918	Improvement Area #1 Initial Parcel	$ 2,230,376.30	$ 18,876.80
155019	Improvement Area #1 Initial Parcel	$ 2,230,376.30	$ 18,876.80
273039	Improvement Area #1 Initial Parcel	$ 3,749,095.28	$ 31,730.48
Total		**$ 11,549,000.00**	**$ 97,745.00**

Footnotes:

[a] The entire Improvement Area #1 Initial Parcel is contained within Property IDs 131846, 131849, 147918, 155019, and 273039.

[b] For billing purposes, the Improvement Area #1 Annual Installment due 1/31/2025 shall be allocated pro rata based on acreage as provided by the County Appraisal District. Future allocation of the Assessment will occur in accordance with **Section VI** of this Service and Assessment Plan.

EXHIBIT F-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Capitalized Interest	Reserve Fund[b]	Annual Collection Costs	Annual Installment[c]
2025	$ -	$ 535,268.21	$ 57,745.00	$ (535,268.21)	$ -	$ 40,000.00	$ 97,745.00
2026	$ 185,000.00	$ 587,489.50	$ 57,745.00	$ -	$ -	$ 40,800.00	$ 871,034.50
2027	$ 193,000.00	$ 579,627.00	$ 56,820.00	$ -	$ -	$ 41,616.00	$ 871,063.00
2028	$ 202,000.00	$ 571,424.50	$ 55,855.00	$ -	$ -	$ 42,448.32	$ 871,727.82
2029	$ 210,000.00	$ 562,839.50	$ 54,845.00	$ -	$ -	$ 43,297.29	$ 870,981.79
2030	$ 219,000.00	$ 553,914.50	$ 53,795.00	$ -	$ -	$ 44,163.24	$ 870,872.74
2031	$ 229,000.00	$ 544,607.00	$ 52,700.00	$ -	$ -	$ 45,046.50	$ 871,353.50
2032	$ 239,000.00	$ 534,874.50	$ 51,555.00	$ -	$ -	$ 45,947.43	$ 871,376.93
2033	$ 251,000.00	$ 522,685.50	$ 50,360.00	$ -	$ -	$ 46,866.38	$ 870,911.88
2034	$ 265,000.00	$ 509,884.50	$ 49,105.00	$ -	$ -	$ 47,803.71	$ 871,793.21
2035	$ 278,000.00	$ 496,369.50	$ 47,780.00	$ -	$ -	$ 48,759.78	$ 870,909.28
2036	$ 293,000.00	$ 482,191.50	$ 46,390.00	$ -	$ -	$ 49,734.98	$ 871,316.48
2037	$ 308,000.00	$ 467,248.50	$ 44,925.00	$ -	$ -	$ 50,729.68	$ 870,903.18
2038	$ 325,000.00	$ 451,540.50	$ 43,385.00	$ -	$ -	$ 51,744.27	$ 871,669.77
2039	$ 342,000.00	$ 434,965.50	$ 41,760.00	$ -	$ -	$ 52,779.16	$ 871,504.66
2040	$ 360,000.00	$ 417,523.50	$ 40,050.00	$ -	$ -	$ 53,834.74	$ 871,408.24
2041	$ 379,000.00	$ 399,163.50	$ 38,250.00	$ -	$ -	$ 54,911.43	$ 871,324.93
2042	$ 399,000.00	$ 379,834.50	$ 36,355.00	$ -	$ -	$ 56,009.66	$ 871,199.16
2043	$ 420,000.00	$ 359,485.50	$ 34,360.00	$ -	$ -	$ 57,129.85	$ 870,975.35
2044	$ 443,000.00	$ 338,065.50	$ 32,260.00	$ -	$ -	$ 58,272.45	$ 871,597.95
2045	$ 466,000.00	$ 315,472.50	$ 30,045.00	$ -	$ -	$ 59,437.90	$ 870,955.40
2046	$ 492,000.00	$ 291,007.50	$ 27,715.00	$ -	$ -	$ 60,626.66	$ 871,349.16
2047	$ 519,000.00	$ 265,177.50	$ 25,255.00	$ -	$ -	$ 61,839.19	$ 871,271.69
2048	$ 548,000.00	$ 237,930.00	$ 22,660.00	$ -	$ -	$ 63,075.97	$ 871,665.97
2049	$ 578,000.00	$ 209,160.00	$ 19,920.00	$ -	$ -	$ 64,337.49	$ 871,417.49
2050	$ 610,000.00	$ 178,815.00	$ 17,030.00	$ -	$ -	$ 65,624.24	$ 871,469.24
2051	$ 643,000.00	$ 146,790.00	$ 13,980.00	$ -	$ -	$ 66,936.72	$ 870,706.72
2052	$ 679,000.00	$ 113,032.50	$ 10,765.00	$ -	$ -	$ 68,275.45	$ 871,072.95
2053	$ 717,000.00	$ 77,385.00	$ 7,370.00	$ -	$ -	$ 69,640.96	$ 871,395.96
2054	$ 757,000.00	$ 39,742.50	$ 3,785.00	$ -	$ (796,742.50)	$ 71,033.78	$ 74,818.78
Total	**$ 11,549,000.00**	**$ 11,603,515.21**	**$ 1,124,565.00**	**$ (535,268.21)**	**$ (796,742.50)**	**$ 1,622,723.23**	**$ 24,567,792.73**

Footnotes:

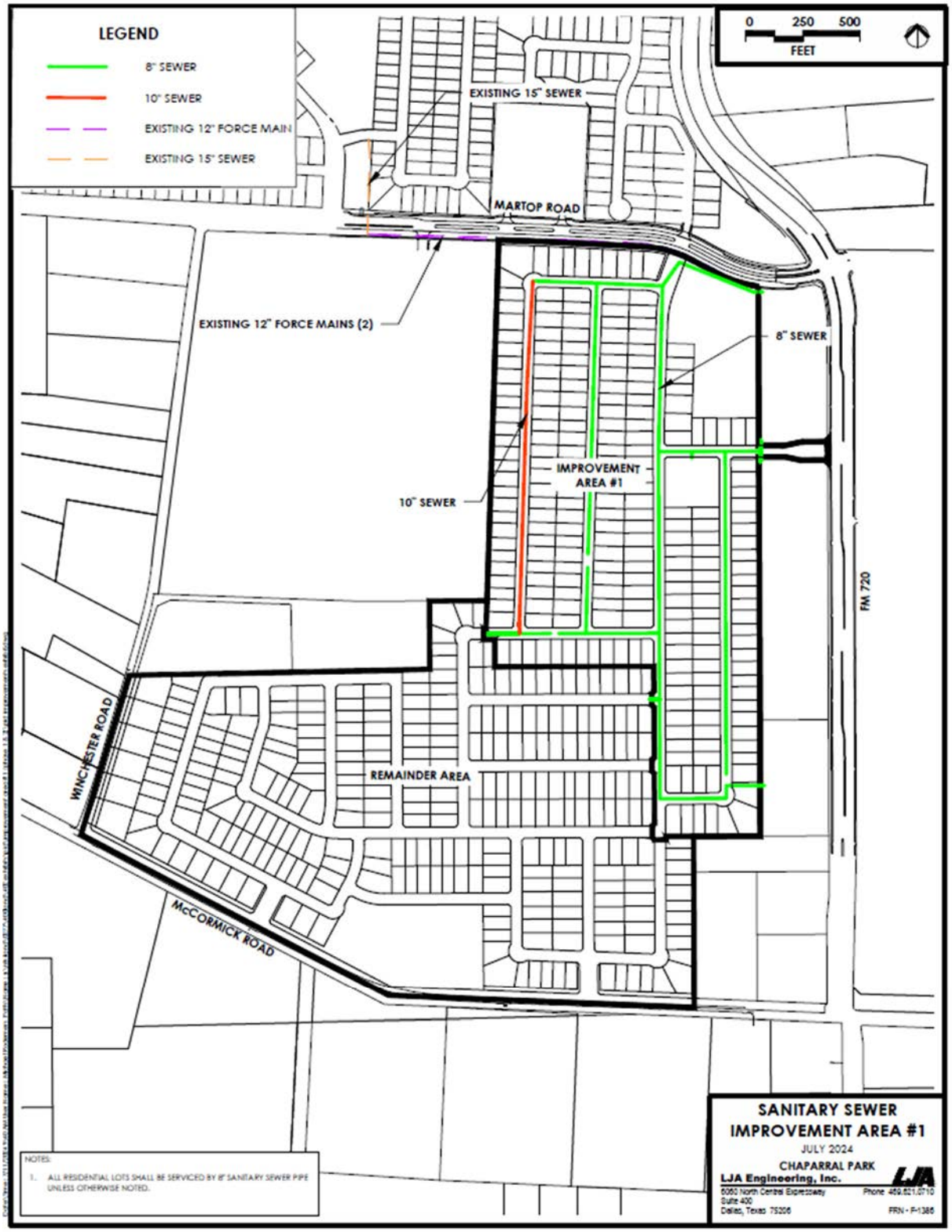
[a] Interest rate on Improvement Area #1 Bonds is 4.25% for bonds maturing 2031, 5.10% for bonds maturing 2044, and 5.25% for bonds maturing 2054.

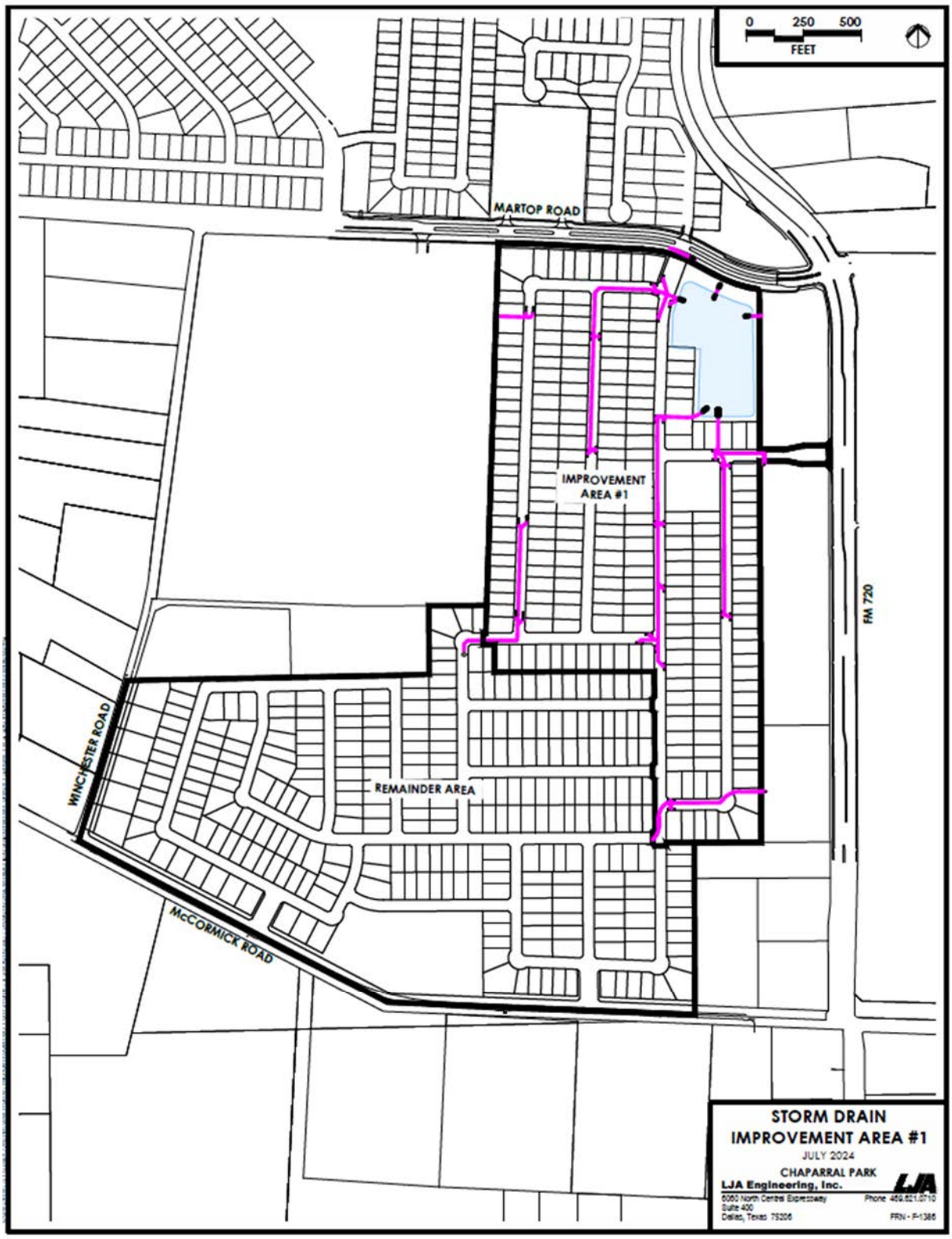
[b] Assumes the Reserve Fund is fully funded and available to reduce Improvement Area #1 Annual Installments in the final year.

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

EXHIBIT G – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS




LEGEND
8" SEWER
10" SEWER
EXISTING 12" FORCE MAIN
EXISTING 15" SEWER
0 250 500
FEET
EXISTING 15" SEWER
MARTOP ROAD
EXISTING 12" FORCE MAINS (2)
8" SEWER
IMPROVEMENT AREA #1
10" SEWER
FM 720
WINCHESTER ROAD
REMAINDER AREA
McCORMICK ROAD
NOTES:
1. ALL RESIDENTIAL LOTS SHALL BE SERVICED BY 8" SANITARY SEWER PIPE UNLESS OTHERWISE NOTED.
SANITARY SEWER IMPROVEMENT AREA #1
JULY 2024
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386


0 250 500
FEET
MARTOP ROAD
IMPROVEMENT AREA #1
FM 720
WINCHESTER ROAD
REMAINDER AREA
McCORMICK ROAD
STORM DRAIN
IMPROVEMENT AREA #1
JULY 2024
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386

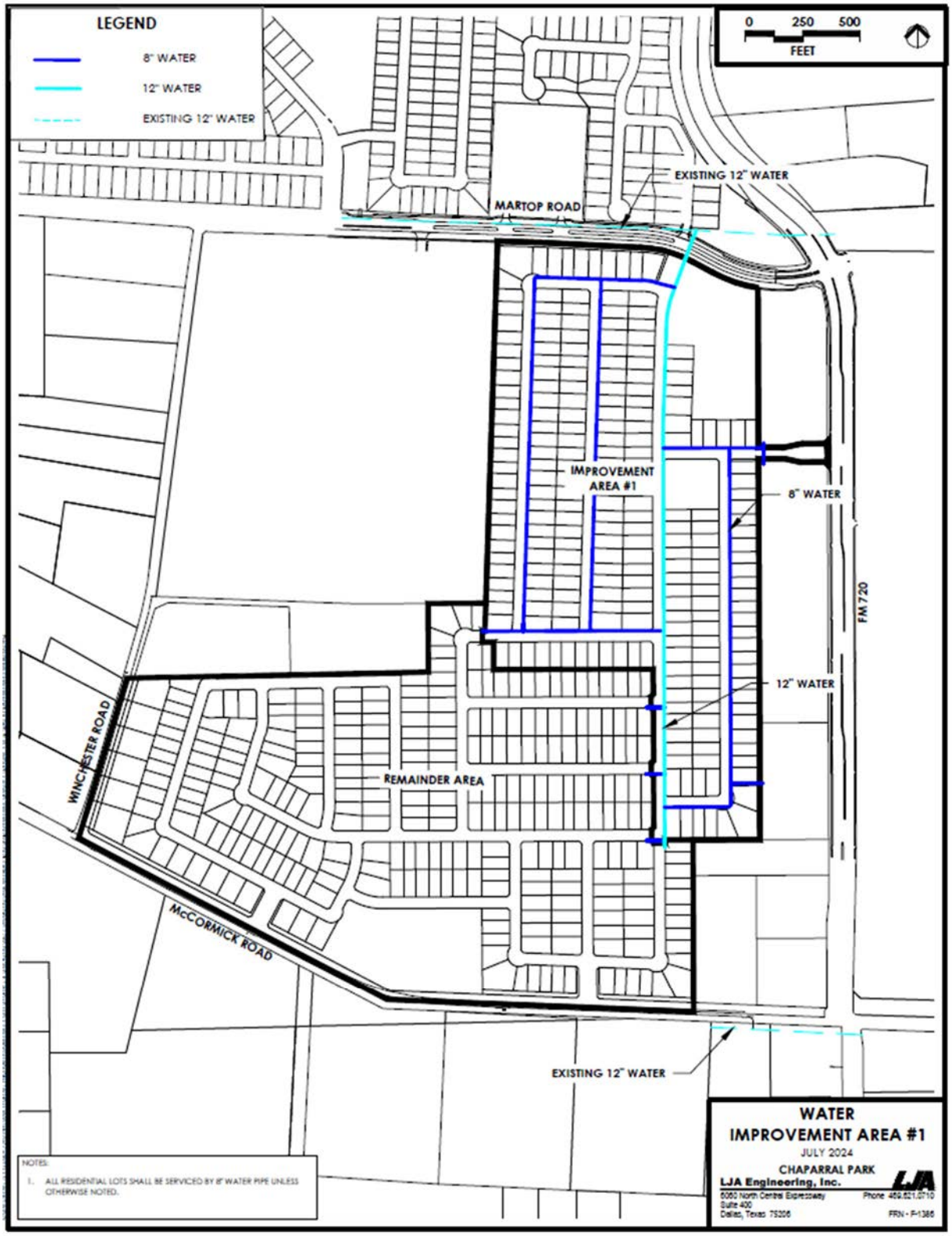

LEGEND
8" WATER
12" WATER
EXISTING 12" WATER
0 250 500
FEET
MARTOP ROAD
EXISTING 12" WATER
IMPROVEMENT AREA #1
8" WATER
FM 720
12" WATER
WINCHESTER ROAD
REMAINDER AREA
McCORMICK ROAD
EXISTING 12" WATER
NOTES:
1. ALL RESIDENTIAL LOTS SHALL BE SERVICED BY 8" WATER PIPE UNLESS OTHERWISE NOTED.
WATER
IMPROVEMENT AREA #1
JULY 2024
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386

EXHIBIT H – NOTICE OF ASSESSMENT TERMINATION

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

[date]
Denton County Clerk's Office
Honorable [County Clerk Name]
Denton County Courts Building
1450 East McKinney St, Denton, TX 76209

Re: City of Oak Point Lien Release Documents for Filing

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

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

City of Oak Point
Attn: [City Secretary]
100 Naylor Road
Oak Point, TX 75068

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

Sincerely,
[Signature]

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

AFTER RECORDING RETURN TO:

[City Secretary Name]
100 Naylor Road
Oak Point, TX 75068

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

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

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

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

RECITALS

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

WHEREAS, on April 30, 2024, the City Council for the City, approved Resolution No. 2024-04-12R, creating the Chaparral Park Public Improvement District (the “District”); and

WHEREAS, the District consists of approximately 131.705 contiguous acres within the corporate limits of the City; and

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

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

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

WHEREAS, the Lien Amount has been paid in full.

RELEASE

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

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

CITY OF OAK POINT, TEXAS,

By: _____
[Manager Name], City Manager

ATTEST:

_____
[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the ____ day of _____, 20__, by [Manager Name], City Manager for the City of Oak Point, Texas, on behalf of said municipality.

_____
Notary Public, State of Texas

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

Final

City of Oak Point, Texas

Special Assessment Revenue Bonds, Series 2024

(Chaparral Park IA#1 Project)

Debt Service

Date	Principal	Coupon	Interest	Total P+I
09/30/2025	-	-	535,268.21	535,268.21
09/30/2026	185,000.00	4.250%	587,489.50	772,489.50
09/30/2027	193,000.00	4.250%	579,627.00	772,627.00
09/30/2028	202,000.00	4.250%	571,424.50	773,424.50
09/30/2029	210,000.00	4.250%	562,839.50	772,839.50
09/30/2030	219,000.00	4.250%	553,914.50	772,914.50
09/30/2031	229,000.00	4.250%	544,607.00	773,607.00
09/30/2032	239,000.00	5.100%	534,874.50	773,874.50
09/30/2033	251,000.00	5.100%	522,685.50	773,685.50
09/30/2034	265,000.00	5.100%	509,884.50	774,884.50
09/30/2035	278,000.00	5.100%	496,369.50	774,369.50
09/30/2036	293,000.00	5.100%	482,191.50	775,191.50
09/30/2037	308,000.00	5.100%	467,248.50	775,248.50
09/30/2038	325,000.00	5.100%	451,540.50	776,540.50
09/30/2039	342,000.00	5.100%	434,965.50	776,965.50
09/30/2040	360,000.00	5.100%	417,523.50	777,523.50
09/30/2041	379,000.00	5.100%	399,163.50	778,163.50
09/30/2042	399,000.00	5.100%	379,834.50	778,834.50
09/30/2043	420,000.00	5.100%	359,485.50	779,485.50
09/30/2044	443,000.00	5.100%	338,065.50	781,065.50
09/30/2045	466,000.00	5.250%	315,472.50	781,472.50
09/30/2046	492,000.00	5.250%	291,007.50	783,007.50
09/30/2047	519,000.00	5.250%	265,177.50	784,177.50
09/30/2048	548,000.00	5.250%	237,930.00	785,930.00
09/30/2049	578,000.00	5.250%	209,160.00	787,160.00
09/30/2050	610,000.00	5.250%	178,815.00	788,815.00
09/30/2051	643,000.00	5.250%	146,790.00	789,790.00
09/30/2052	679,000.00	5.250%	113,032.50	792,032.50
09/30/2053	717,000.00	5.250%	77,385.00	794,385.00
09/30/2054	757,000.00	5.250%	39,742.50	796,742.50
Total	**$11,549,000.00**	-	**$11,603,515.21**	**$23,152,515.21**

Yield Statistics

Bond Year Dollars	$223,886.42
Average Life	19.386 Years
Average Coupon	5.1827686%
Net Interest Cost (NIC)	5.3673079%
True Interest Cost (TIC)	5.4838615%
Bond Yield for Arbitrage Purposes	5.2153271%
All Inclusive Cost (AIC)	5.9150726%

IRS Form 8038

Net Interest Cost	5.2511360%
Weighted Average Maturity	19.355 Years

Chaparral Park - Bid to U | SINGLE PURPOSE | 9/25/2024 | 10:59 AM

HilltopSecurities
Public Finance

Page 5

EXHIBIT J-1 – DISTRICT LEGAL DESCRIPTION

METES AND BOUNDS DESCRIPTION
131.705 ACRES

BEING 131.705 ACRES OF LAND SITUATED IN THE G. W. DANIEL SURVEY, ABSTRACT No. 331, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A TRACT OF LAND DESCRIBED TO BLOOMFIELD HOMES LP BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-14151, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AND ALL OF A TRACT OF LAND DESCRIBED TO BLOOMFIELD HOMES, LP BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-132563 OF SAID REAL PROPERTY RECORDS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE NORTHEAST CORNER OF LOT 1, BLOCK 1, DENTON MIDDLE SCHOOL NO. 8 ADDITION, AN ADDITION TO THE CITY OF OAK POINT, DENTON COUNTY, TEXAS AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2019-516, PLAT RECORDS, DENTON COUNTY, TEXAS, ON THE SOUTH RIGHT-OF-WAY LINE OF MARTOP ROAD (A VARIABLE-WIDTH RIGHT-OF-WAY) AS DEDICATED BY DEED RECORDED IN COUNTY CLERK FILE NO. 2007-23814 OF SAID REAL PROPERTY RECORDS;

THENCE WITH SAID SOUTH RIGHT-OF-WAY LINE, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 88°10'49" EAST, A DISTANCE OF 181.10 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

SOUTH 87°10'25" EAST, A DISTANCE OF 448.84 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 525.00 FEET AND A CHORD THAT BEARS SOUTH 74°25'42" EAST, 231.63 FEET;

WITH SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 25°29'19", AN ARC-DISTANCE OF 233.55 FEET TO A 5/8-INCH IRON ROD FOUND;

SOUTH 61°39'36" EAST, A DISTANCE OF 97.48 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 625.00 FEET AND A CHORD THAT BEARS SOUTH 71°15'47" EAST, 208.14 FEET;

WITH SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 19°10'12", AN ARC-DISTANCE OF 209.11 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED AS "TRACT 1" TO 12 AC FM720 PARTNERS LLC BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-98593 OF SAID REAL PROPERTY RECORDS;

THENCE SOUTH 00°12'59" EAST, WITH THE WEST LINE OF SAID TRACT 1, A DISTANCE OF 695.99 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE SOUTHWEST CORNER OF SAME TRACT;

THENCE WITH THE SOUTH LINE OF SAID TRACT 1, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89°46'34" EAST, A DISTANCE OF 114.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 77°40'54" EAST, A DISTANCE OF 71.59 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

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METES AND BOUNDS DESCRIPTION
131.705 ACRES

NORTH 89°46'34" EAST, A DISTANCE OF 106.13 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 44°46'48" EAST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND ON THE WEST RIGHT-OF-WAY LINE OF F.M. HIGHWAY NO. 720 (A VARIABLE WIDTH RIGHT-OF-WAY) AS DEDICATED BY DEED RECORDED IN COUNTY CLERK FILE NO. 2013-50065 OF SAID REAL PROPERTY RECORDS;

THENCE SOUTH 00°12'57" EAST, WITH SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 100.00 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED AS "TRACT 2" TO 12 AC FM720 PARTNERS LLC BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-98593 OF SAID REAL PROPERTY RECORDS;

THENCE WITH THE NORTH LINE OF SAID TRACT 2, THE FOLLOWING COURSES AND DISTANCES:

NORTH 45°13'12" WEST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

SOUTH 89°46'34" WEST, A DISTANCE OF 106.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 78°07'44" WEST, A DISTANCE OF 71.59 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

SOUTH 89°46'34" WEST, A DISTANCE OF 114.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHWEST CORNER OF SAID TRACT 2;

THENCE SOUTH 00°13'19" EAST, WITH THE WEST LINE OF SAID TRACT 2, A DISTANCE OF 1152.20 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE SOUTHWEST CORNER OF SAME TRACT;

THENCE SOUTH 00°12'12" EAST, OVER AND ACROSS SAID BLOOMFIELD HOMES TRACT, A DISTANCE OF 508.30 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND ON THE NORTH LINE OF LOT 1, BLOCK A, OAK MOUNT ADDITION, AN ADDITION TO THE CITY OF OAK POINT, TEXAS, AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2020-242 OF SAID PLAT RECORDS;

THENCE SOUTH 89°46'23" WEST, WITH SAID NORTH LOT LINE, A DISTANCE OF 291.85 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE NORTHWEST CORNER OF SAME LOT;

THENCE SOUTH 00°13'12" EAST, PASSING A 1/2-INCH CAPPED IRON ROD STAMPED "SPAIRS ENG" FOR THE WEST COMMON CORNER OF SAID OAK MOUNT ADDITION AND LOT 3, BLOCK A, POINT 720 ADDITION, AN ADDITION TO THE CITY OF OAK POINT, TEXAS, AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2022-132 OF SAID PLAT RECORDS AT 156.64 FEET, A TOTAL DISTANCE OF 753.00 FEET TO A MAGNAIL FOUND IN THE RIGHT-OF-WAY OF MCCORMICK ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE ALONG SAID RIGHT-OF-WAY, THE FOLLOWING COURSES AND DISTANCES:

NORTH 87°42'02" WEST, A DISTANCE OF 1152.27 FEET TO A MAGNAIL FOUND FOR THE SOUTH COMMON CORNER OF SAID BLOOMFIELD HOMES TRACTS;

METES AND BOUNDS DESCRIPTION
131.705 ACRES

NORTH 87°37'18" WEST, A DISTANCE OF 185.98 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND;

NORTH 62°18'03" WEST, A DISTANCE OF 1519.01 FEET TO A MAGNAIL FOUND IN THE EAST RIGHT-OF-WAY LINE OF WINCHESTER ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE NORTH 16°45'18" EAST, ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 729.00 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE SOUTHWEST CORNER OF BURGESS ADDITION, AN ADDITION TO THE CITY OF OAK POINT, DENTON COUNTY, TEXAS AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2017-359, PLAT RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 88°51'25" EAST, WITH THE SOUTH LINE OF SAID BURGESS ADDITION, A DISTANCE OF 1315.24 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE SOUTHEAST CORNER OF SAME SUBDIVISION;

THENCE NORTH 00°13'26" WEST, WITH THE EAST LINE OF SAID BURGESS ADDITION, A DISTANCE OF 299.86 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE NORTHEAST CORNER OF SAME SUBDIVISION ON THE SOUTH LINE OF SAID DENTON MIDDLE SCHOOL NO. 8 ADDITION;

THENCE NORTH 89°48'53" EAST, WITH SAID SOUTH LINE, A DISTANCE OF 251.61 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "TNP" FOUND FOR THE SOUTHEAST CORNER OF SAID DENTON MIDDLE SCHOOL NO. 8 ADDITION;

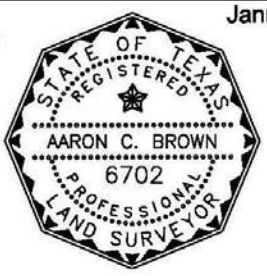
THENCE NORTH 01°51'10" EAST, WITH THE EAST LINE OF SAID DENTON MIDDLE SCHOOL NO. 8 ADDITION, A DISTANCE OF 1579.66 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 131.705 ACRES (5,737,071 SQ. FEET) OF LAND.

BASIS OF BEARING IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83 (2011) EPOCH 2010, AS DETERMINED BY GPS OBSERVATIONS.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

Aaron C. Brown, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 6702
LJA Surveying, Inc.
3017 West 7th Street, Suite 300
Fort Worth, Texas 76107
682-747-0800
TBPELS Firm No. 10194382

January 17, 2024



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EXHIBIT J-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

METES AND BOUNDS DESCRIPTION
44.354 ACRES

BEING 44.354 ACRES OF LAND SITUATED IN THE G.W. DANIEL SURVEY, ABSTRACT NO. 331, CITY OF OAK POINT, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A TRACT OF LAND DESCRIBED TO BLOOMFIELD HOMES, LP BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-14151, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND ON THE NORTH LINE OF LOT 1, BLOCK A OF OAK MOUNT ADDITION, AN ADDITION TO THE CITY OF OAK POINT, DENTON COUNTY, TEXAS, AS SHOWN BY PLAT RECORDED IN COUNTY CLERK NO. 2020-242, PLAT RECORDS, DENTON COUNTY TEXAS, FROM WHICH A 1/2-INCH CAPPED IRON ROD STAMPED "SPAIRS ENG" FOUND FOR THE NORTHEAST CORNER OF SAID LOT 1 BEARS NORTH 89°46'23" EAST, A DISTANCE OF 300.25 FEET;

THENCE SOUTH 89°46'23" WEST, WITH SAID NORTH LINE, A DISTANCE OF 291.85 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND;

THENCE DEPARTING SAID NORTH LINE, OVER AND ACROSS SAID BLOOMFIELD HOMES TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 89°46'34" WEST, A DISTANCE OF 121.21 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 14.49 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 50.00 FEET;

NORTH 45°13'26" WEST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

NORTH 44°46'34" EAST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 220.00 FEET;

NORTH 45°13'26" WEST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

NORTH 44°46'34" EAST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 220.00 FEET;

NORTH 45°13'26" WEST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

NORTH 44°46'34" EAST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 110.00 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 400.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 120.00 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 50.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

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METES AND BOUNDS DESCRIPTION
44.354 ACRES

NORTH 89°46'34" EAST, A DISTANCE OF 7.45 FEET;

NORTH 01°51'10" EAST, A DISTANCE OF 1,540.03 FEET;

SOUTH 88°08'50" EAST, A DISTANCE OF 45.00 FEET;

NORTH 01°51'10" EAST, A DISTANCE OF 146.69 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF MARTOP ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 87°10'25" EAST, A DISTANCE OF 294.91 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 525.00 FEET AND A CHORD THAT BEARS SOUTH 74°25'42" EAST, 231.63 FEET;

WITH SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 25°29'19", AN ARC-DISTANCE OF 233.55 FEET TO A 5/8-INCH IRON ROD FOUND;

SOUTH 61°39'36" EAST, A DISTANCE OF 97.48 FEET TO 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 625.00 FEET AND A CHORD THAT BEARS SOUTH 71°15'47" EAST, 208.14 FEET;

WITH SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 19°10'12", AN ARC-DISTANCE OF 209.11 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED AS "TRACT 1" TO 12 AC FM720 PARTNERS LLC BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-98593 OF SAID REAL PROPERTY RECORDS;

THENCE SOUTH 00°12'59" EAST, WITH THE WEST LINE OF SAID TRACT 1, A DISTANCE OF 695.99 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE SOUTHWEST CORNER OF SAME TRACT;

THENCE WITH THE SOUTH LINE OF SAID TRACT 1, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89°46'34" EAST, A DISTANCE OF 114.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 77°40'54" EAST, A DISTANCE OF 71.59 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 89°46'34" EAST, A DISTANCE OF 106.13 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 44°46'48" EAST, A DISTANCE OF 14.15 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND ON THE WEST RIGHT-OF-WAY LINE OF F.M. HIGHWAY NO. 720 (A VARIABLE WIDTH RIGHT-OF-WAY) AS DEDICATED BY DEED RECORDED IN COUNTY CLERK FILE NO. 2013-50065 OF SAID REAL PROPERTY RECORDS;

THENCE SOUTH 00°12'57" EAST, WITH SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 100.01 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHEAST CORNER OF A

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METES AND BOUNDS DESCRIPTION
44.354 ACRES

TRACT OF LAND DESCRIBED AS "TRACT 2" TO 12 AC FM720 PARTNERS LLC BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-98593 OF SAID REAL PROPERTY RECORDS;

THENCE WITH THE NORTH LINE OF SAID TRACT 2, THE FOLLOWING COURSES AND DISTANCES:

NORTH 45°13'12" WEST, A DISTANCE OF 14.15 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

SOUTH 89°46'34" WEST, A DISTANCE OF 106.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 78°07'44" WEST, A DISTANCE OF 71.59 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

SOUTH 89°46'34" WEST, A DISTANCE OF 114.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHWEST CORNER OF SAID TRACT 2;

THENCE SOUTH 00°13'19" EAST, WITH THE WEST LINE OF SAID TRACT 2, A DISTANCE OF 1152.20 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE SOUTHWEST CORNER OF SAME TRACT;

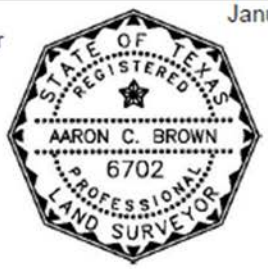
THENCE SOUTH 00°12'12" EAST, OVER AND ACROSS SAID BLOOMFIELD HOMES TRACT, A DISTANCE OF 508.30 FEET TO THE **POINT OF BEGINNING**, CONTAINING A CALCULATED AREA OF 44.354 ACRES (1,932,075 SQ. FEET) OF LAND.

BASIS OF BEARING IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83 (2011) EPOCH 2010, AS DETERMINED BY GPS OBSERVATIONS.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

Aaron C. Brown, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 6702
LJA Surveying, Inc.
3017 West 7th Street, Suite 300
Fort Worth, Texas 76107
682-747-0800
TBPELS Firm No. 10194382

January 17, 2024



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METES AND BOUNDS DESCRIPTION
12.582 ACRES

BEING 12.582 ACRES OF LAND SITUATED IN THE G. W. DANIEL SURVEY, ABSTRACT No. 331, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A TRACT OF LAND DESCRIBED TO BLOOMFIELD HOMES LP BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-14151, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE NORTHEAST CORNER OF LOT 1, BLOCK 1, DENTON MIDDLE SCHOOL NO. 8 ADDITION, AN ADDITION TO THE CITY OF OAK POINT, DENTON COUNTY, TEXAS AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2019-516, PLAT RECORDS, DENTON COUNTY, TEXAS, SAME BEING ON THE SOUTH RIGHT-OF-WAY LINE OF MARTOP ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE SOUTH 88°10'49" EAST, WITH SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 181.10 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

THENCE SOUTH 87°10'25" EAST, CONTINUING WITH SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 153.93 FEET;

THENCE DEPARTING SAID SOUTH RIGHT-OF-WAY LINE, OVER AND ACROSS SAID BLOOMFIELD TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 01°51'10" WEST, A DISTANCE OF 146.69 FEET;

NORTH 88°08'50" WEST, A DISTANCE OF 45.00 FEET;

SOUTH 01°51'10" WEST, A DISTANCE OF 1,540.03 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 7.45 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 50.00 FEET;

NORTH 89°46'34" EAST, A DISTANCE OF 50.00 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 120.00 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 295.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 120.00 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 50.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

NORTH 89°46'34" EAST, A DISTANCE OF 12.26 FEET;

NORTH 01°51'10" EAST, PASSING A 5/8-INCH CAPPED IRON ROD STAMPED "TNP" FOUND FOR THE SOUTHEAST CORNER OF SAID DENTON MIDDLE SCHOOL NO. 8 ADDITION AT A DISTANCE OF 120.08 FEET, AND CONTINUING WITH THE WEST LINE OF SAID BLOOMFIELD HOMES TRACT A TOTAL DISTANCE IN ALL OF 1,699.74 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 12.582 ACRES (548,087 SQ. FEET) OF LAND.

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METES AND BOUNDS DESCRIPTION
12.582 ACRES

BASIS OF BEARING IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83 (2011) EPOCH 2010, AS DETERMINED BY GPS OBSERVATIONS.

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Aaron C. Brown, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 6702
LJA Surveying, Inc.
3017 West 7th Street, Suite 300
Fort Worth, Texas 76107
682-747-0800
TBPELS Firm No. 10194382

May 15, 2024

STATE OF TEXAS
REGISTERED
AARON C. BROWN
6702
PROFESSIONAL
LAND SURVEYOR

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Page 2 of 2

APPENDIX A – ENGINEER'S REPORT

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LJA Engineering, Inc.

ENGINEERING REPORT

CHAPARRAL PARK
PUBLIC IMPROVEMENTS DISTRICT
IMPROVEMENT AREA NO. 1

CITY OF OAK POINT, TX
DENTON COUNTY

LJA Job No. NT080-0277
August 19, 2024



Prepared By:
LJA Engineering, Inc.
6060 North Central Expressway, Suite 400
Dallas, TX 75206
469.621.0710
TBPE F-1386

Planners ♦ Consulting Engineers ♦ Surveyors

1. Introduction

1.1 Overview

Chaparral Park is a single-family residential development consisting of approximately 132 total acres and is expected to produce approximately 531 single-family homes. The site is located northwest of the McCormick Road and F.M. 720 intersection in Oak Point, Texas. An exhibit showing the boundary of Chaparral Park Public Improvements District, Improvement Area No. 1 is shown on **Exhibit A-1**.

Improvement Area No. 1 consists of 241 single-family homes and is delineated via the map in **Exhibit A-1** with the legal description in **Exhibit B**. This Engineer's Report includes information for the development improvements, associated preliminary costs, and additional exhibits to provide further context on the location and scope of the proposed Improvement Area No. 1 infrastructure. This report also includes the delineation of the overall Public Improvement District & Remainder Area as shown on **Exhibit A-2, A-3, C, & D**.

2. Development Improvements

2.1 Location

The Public Improvements District (PID) is located approximately 300 feet west of F.M. 720 and 100 feet south of Martop Road in the city of Oak Point. The PID is entirely located within the City of Oak Point. The PID is located within the Mustang SUD Water CCN and Sewer CCN. A PID boundary map and legal description is presented in **Exhibits A-1 & B.**

2.2 Proposed Improvements

a) General

Improvement Area No. 1 contains 241 single-family lots that are 50', 55', 60', & 65' in width within Chaparral Park Phases 1 and 2. A map of the lots is shown in **Exhibit E**.

All PID facilities will be designed in accordance with the criteria established by City of Oak Point, Denton County, and TCEQ. Anticipated development costs for Improvement Area No. 1 are shown in **Exhibit F**.

b) Street Paving

All roadway facilities will be designed in accordance with the criteria established by the City of Oak Point. Roadway facilities will be constructed to provide access to each lot, necessary traffic circulation within the development, and access to existing perimeter roadways. The Improvement Area No. 1 infrastructure consists of approximately 9,500 linear feet of onsite roadway. A residential paving infrastructure layout is shown in **Exhibit G-2: Map of Residential Paving Improvements**.

c) Water Distribution System

Chaparral Park water will be supplied by facilities that are owned and operated by Mustang SUD through offsite connections to existing water lines. The developer will construct all water distribution facilities to serve the development.

The Improvement Area No. 1 infrastructure proposed is approximately 10,000 linear feet of 8-inch & 12-inch residential waterline. Valves and flushing valves are provided at intervals as required by the City of Oak Point. A residential water infrastructure layout is shown in **Exhibit G-2: Map of Residential Water Improvements**.

d) Sanitary Sewer System

The wastewater generated by the development will flow by gravity main through the internal sanitary sewer collection system and will be routed to an existing offsite sanitary sewer manhole.

The Improvement Area No. 1 infrastructure proposed is approximately 9,600 linear feet of residential 6-inch, 8-inch, & 10-inch gravity sewer line. The residential wastewater infrastructure layout is shown in **Exhibit G-2: Map of Residential Sewer Improvements**. The Major Improvements infrastructure proposed is approximately 950 linear feet of 12-inch & 15-inch gravity sewer line. The major improvements wastewater infrastructure layout is shown in **Exhibit G-1: Map of Major Sewer Improvements**.

e) Storm Sewer System

The storm water runoff within the PID will be collected by inlets along the concrete curb and gutter street system and routed through an underground storm drain system of reinforced concrete pipe. The Improvement Area No. 1 infrastructure proposed is approximately 6,900 linear feet of 18-inch to 54-inch residential reinforced concrete pipe storm drain. The residential storm infrastructure layout is shown in **Exhibit G-2: Map of Residential Storm Improvements**.

2

APPENDIX

Exhibit A-1: Public Improvement District Map - Improvement Area No. 1

Exhibit A-2: Public Improvement District Map - Remainder Area

Exhibit A-3: Public Improvements District Map – Overall

Exhibit B: Improvement Area No. 1 Boundary

Exhibit C: Remainder Area Boundary

Exhibit D: Overall Public Improvements District Boundary

Exhibit E: Lot Classification Map

Exhibit F: Improvement Area No. 1 OPC Summary

Exhibit G-1: Map of Major Sewer Improvements

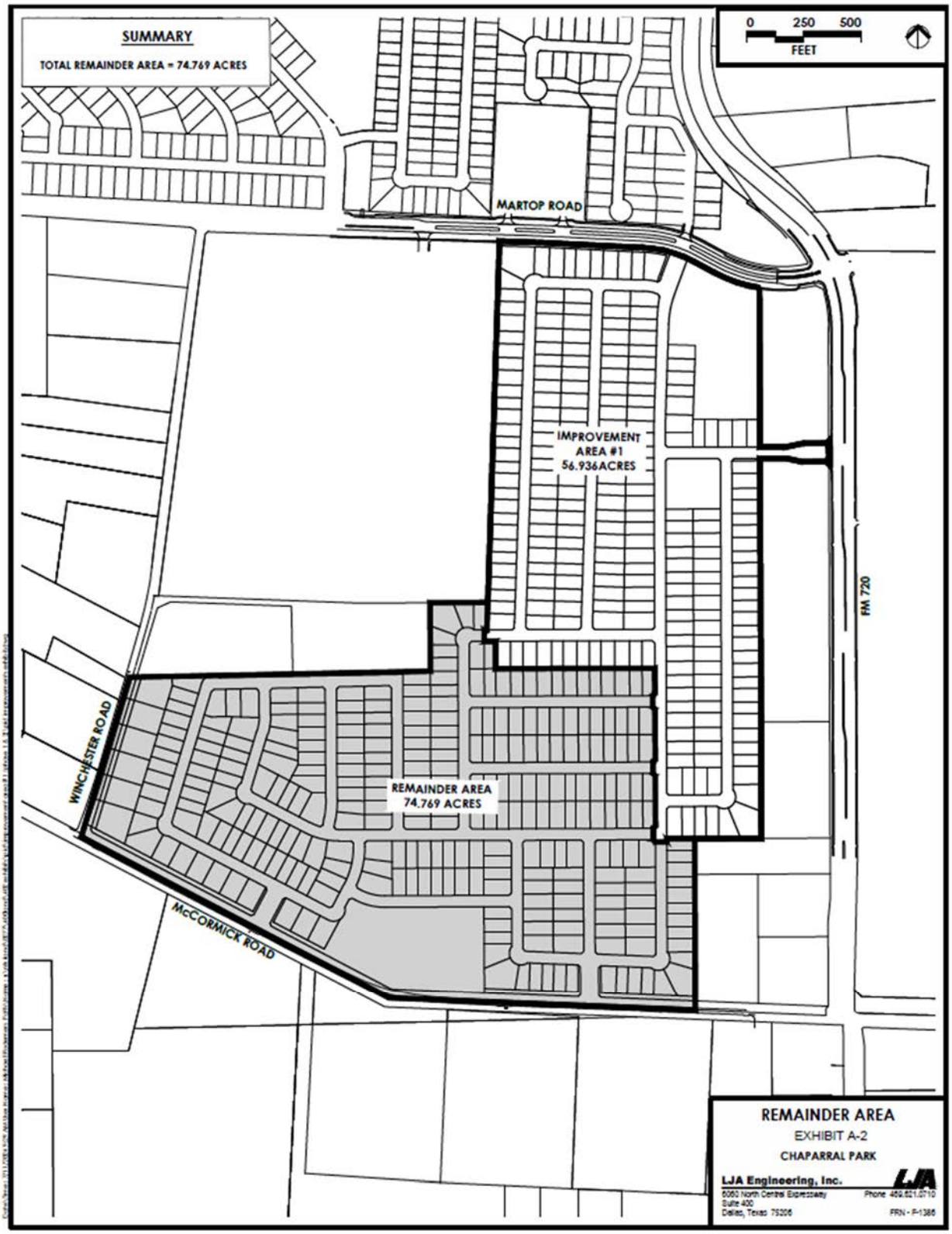
Exhibit G-2: Map of Residential Paving Improvements

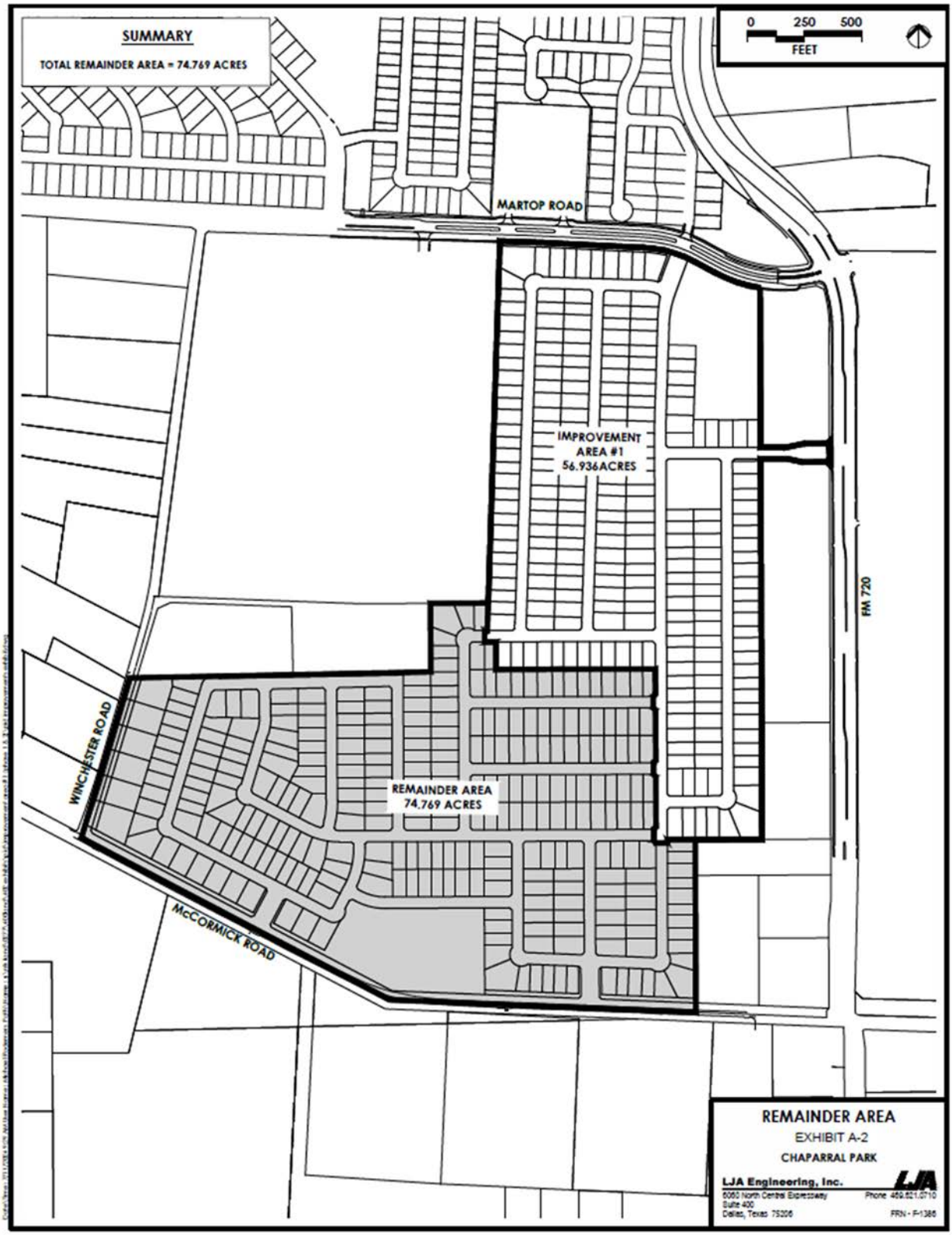
Exhibit G-2: Map of Residential Water Improvements

Exhibit G-2: Map of Residential Sewer Improvements

Exhibit G-2: Map of Residential Storm Improvements


SUMMARY
TOTAL IMPROVEMENT AREA #1 = 56.936 ACRES
0 250 500
FEET
MARTOP ROAD
IMPROVEMENT AREA #1 56.936ACRES
FM 720
WINCHESTER ROAD
REMAINDER AREA 74.769 ACRES
McCORMICK ROAD
IMPROVEMENT AREA #1
EXHIBIT A-1
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386


SUMMARY
TOTAL REMAINDER AREA = 74.769 ACRES
0 250 500
FEET
MARTOP ROAD
IMPROVEMENT AREA #1 56.936ACRES
FM 720
WINCHESTER ROAD
REMAINDER AREA 74.769 ACRES
McCORMICK ROAD
REMAINDER AREA
EXHIBIT A-2
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386


SUMMARY
TOTAL REMAINDER AREA = 74.769 ACRES
0 250 500
FEET
MARTOP ROAD
IMPROVEMENT AREA #1 56.936ACRES
FM 720
WINCHESTER ROAD
REMAINDER AREA 74.769 ACRES
McCORMICK ROAD
REMAINDER AREA
EXHIBIT A-2
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386


SUMMARY
TOTAL PID AREA = 131.705 ACRES
0 250 500
FEET
MARTOP ROAD
FM 720
OVERALL PID BOUNDARY
131.705 ACRES
WINCHESTER ROAD
McCORMICK ROAD
OVERALL PID BOUNDARY
EXHIBIT A-3
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386

EXHIBIT B: IMPROVEMENT AREA #1 BOUNDARY

METES AND BOUNDS DESCRIPTION
44.354 ACRES

BEING 44.354 ACRES OF LAND SITUATED IN THE G.W. DANIEL SURVEY, ABSTRACT NO. 331, CITY OF OAK POINT, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A TRACT OF LAND DESCRIBED TO BLOOMFIELD HOMES, LP BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-14151, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND ON THE NORTH LINE OF LOT 1, BLOCK A OF OAK MOUNT ADDITION, AN ADDITION TO THE CITY OF OAK POINT, DENTON COUNTY, TEXAS, AS SHOWN BY PLAT RECORDED IN COUNTY CLERK NO. 2020-242, PLAT RECORDS, DENTON COUNTY TEXAS, FROM WHICH A 1/2-INCH CAPPED IRON ROD STAMPED "SPAIRS ENG" FOUND FOR THE NORTHEAST CORNER OF SAID LOT 1 BEARS NORTH 89°46'23" EAST, A DISTANCE OF 300.25 FEET;

THENCE SOUTH 89°46'23" WEST, WITH SAID NORTH LINE, A DISTANCE OF 291.85 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND;

THENCE DEPARTING SAID NORTH LINE, OVER AND ACROSS SAID BLOOMFIELD HOMES TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 89°46'34" WEST, A DISTANCE OF 121.21 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 14.49 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 50.00 FEET;

NORTH 45°13'26" WEST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

NORTH 44°46'34" EAST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 220.00 FEET;

NORTH 45°13'26" WEST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

NORTH 44°46'34" EAST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 220.00 FEET;

NORTH 45°13'26" WEST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

NORTH 44°46'34" EAST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 110.00 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 400.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 120.00 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 50.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

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METES AND BOUNDS DESCRIPTION
44.354 ACRES

NORTH 89°46'34" EAST, A DISTANCE OF 7.45 FEET;

NORTH 01°51'10" EAST, A DISTANCE OF 1,540.03 FEET;

SOUTH 88°08'50" EAST, A DISTANCE OF 45.00 FEET;

NORTH 01°51'10" EAST, A DISTANCE OF 146.69 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF MARTOP ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 87°10'25" EAST, A DISTANCE OF 294.91 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 525.00 FEET AND A CHORD THAT BEARS SOUTH 74°25'42" EAST, 231.63 FEET;

WITH SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 25°29'19", AN ARC-DISTANCE OF 233.55 FEET TO A 5/8-INCH IRON ROD FOUND;

SOUTH 61°39'36" EAST, A DISTANCE OF 97.48 FEET TO 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 625.00 FEET AND A CHORD THAT BEARS SOUTH 71°15'47" EAST, 208.14 FEET;

WITH SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 19°10'12", AN ARC-DISTANCE OF 209.11 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED AS "TRACT 1" TO 12 AC FM720 PARTNERS LLC BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-98593 OF SAID REAL PROPERTY RECORDS;

THENCE SOUTH 00°12'59" EAST, WITH THE WEST LINE OF SAID TRACT 1, A DISTANCE OF 695.99 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE SOUTHWEST CORNER OF SAME TRACT;

THENCE WITH THE SOUTH LINE OF SAID TRACT 1, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89°46'34" EAST, A DISTANCE OF 114.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 77°40'54" EAST, A DISTANCE OF 71.59 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 89°46'34" EAST, A DISTANCE OF 106.13 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 44°46'48" EAST, A DISTANCE OF 14.15 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND ON THE WEST RIGHT-OF-WAY LINE OF F.M. HIGHWAY NO. 720 (A VARIABLE WIDTH RIGHT-OF-WAY) AS DEDICATED BY DEED RECORDED IN COUNTY CLERK FILE NO. 2013-50065 OF SAID REAL PROPERTY RECORDS;

THENCE SOUTH 00°12'57" EAST, WITH SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 100.01 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHEAST CORNER OF A

METES AND BOUNDS DESCRIPTION
44.354 ACRES

TRACT OF LAND DESCRIBED AS "TRACT 2" TO 12 AC FM720 PARTNERS LLC BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-98593 OF SAID REAL PROPERTY RECORDS;

THENCE WITH THE NORTH LINE OF SAID TRACT 2, THE FOLLOWING COURSES AND DISTANCES:

NORTH 45°13'12" WEST, A DISTANCE OF 14.15 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

SOUTH 89°46'34" WEST, A DISTANCE OF 106.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 78°07'44" WEST, A DISTANCE OF 71.59 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

SOUTH 89°46'34" WEST, A DISTANCE OF 114.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHWEST CORNER OF SAID TRACT 2;

THENCE SOUTH 00°13'19" EAST, WITH THE WEST LINE OF SAID TRACT 2, A DISTANCE OF 1152.20 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE SOUTHWEST CORNER OF SAME TRACT;

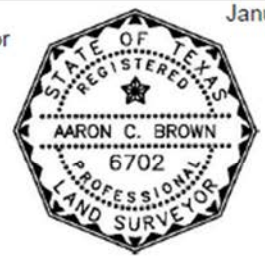
THENCE SOUTH 00°12'12" EAST, OVER AND ACROSS SAID BLOOMFIELD HOMES TRACT, A DISTANCE OF 508.30 FEET TO THE **POINT OF BEGINNING**, CONTAINING A CALCULATED AREA OF 44.354 ACRES (1,932,075 SQ. FEET) OF LAND.

BASIS OF BEARING IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83 (2011) EPOCH 2010, AS DETERMINED BY GPS OBSERVATIONS.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

Aaron C. Brown, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 6702
LJA Surveying, Inc.
3017 West 7th Street, Suite 300
Fort Worth, Texas 76107
682-747-0800
TBPELS Firm No. 10194382

January 17, 2024



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METES AND BOUNDS DESCRIPTION
12.582 ACRES

BEING 12.582 ACRES OF LAND SITUATED IN THE G. W. DANIEL SURVEY, ABSTRACT No. 331, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A TRACT OF LAND DESCRIBED TO BLOOMFIELD HOMES LP BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-14151, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE NORTHEAST CORNER OF LOT 1, BLOCK 1, DENTON MIDDLE SCHOOL NO. 8 ADDITION, AN ADDITION TO THE CITY OF OAK POINT, DENTON COUNTY, TEXAS AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2019-516, PLAT RECORDS, DENTON COUNTY, TEXAS, SAME BEING ON THE SOUTH RIGHT-OF-WAY LINE OF MARTOP ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE SOUTH 88°10'49" EAST, WITH SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 181.10 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

THENCE SOUTH 87°10'25" EAST, CONTINUING WITH SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 153.93 FEET;

THENCE DEPARTING SAID SOUTH RIGHT-OF-WAY LINE, OVER AND ACROSS SAID BLOOMFIELD TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 01°51'10" WEST, A DISTANCE OF 146.69 FEET;

NORTH 88°08'50" WEST, A DISTANCE OF 45.00 FEET;

SOUTH 01°51'10" WEST, A DISTANCE OF 1,540.03 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 7.45 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 50.00 FEET;

NORTH 89°46'34" EAST, A DISTANCE OF 50.00 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 120.00 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 295.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 120.00 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 50.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

NORTH 89°46'34" EAST, A DISTANCE OF 12.26 FEET;

NORTH 01°51'10" EAST, PASSING A 5/8-INCH CAPPED IRON ROD STAMPED "TNP" FOUND FOR THE SOUTHEAST CORNER OF SAID DENTON MIDDLE SCHOOL NO. 8 ADDITION AT A DISTANCE OF 120.08 FEET, AND CONTINUING WITH THE WEST LINE OF SAID BLOOMFIELD HOMES TRACT A TOTAL DISTANCE IN ALL OF 1,699.74 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 12.582 ACRES (548,087 SQ. FEET) OF LAND.

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METES AND BOUNDS DESCRIPTION
12.582 ACRES

BASIS OF BEARING IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83 (2011) EPOCH 2010, AS DETERMINED BY GPS OBSERVATIONS.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

Aaron C. Brown, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 6702
LJA Surveying, Inc.
3017 West 7th Street, Suite 300
Fort Worth, Texas 76107
682-747-0800
TBPELS Firm No. 10194382

May 15, 2024

STATE OF TEXAS
REGISTERED
AARON C. BROWN
6702
PROFESSIONAL
LAND SURVEYOR

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EXHIBIT C: REMAINDER AREA BOUNDARY

METES AND BOUNDS DESCRIPTION
74.769 ACRES

BEING 74.769 ACRES OF LAND SITUATED IN THE G. W. DANIEL SURVEY, ABSTRACT No. 331, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A TRACT OF LAND DESCRIBED TO BLOOMFIELD HOMES LP BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-14151, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AND ALL OF A TRACT OF LAND DESCRIBED TO BLOOMFIELD HOMES, LP BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-132563 OF SAID REAL PROPERTY RECORDS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8-INCH CAPPED IRON ROD STAMPED "TNP" FOUND FOR THE SOUTHEAST CORNER OF LOT 1, BLOCK 1, DENTON MIDDLE SCHOOL NO. 8 ADDITION, AN ADDITION TO THE CITY OF OAK POINT, DENTON COUNTY, TEXAS AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2019-516, PLAT RECORDS, DENTON COUNTY, TEXAS AND BEING A REENTRANT CORNER OF SAID BLOOMFIELD HOMES TRACT;

THENCE OVER AND ACROSS SAID BLOOMFIELD HOMES TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 01°51'10" WEST, A DISTANCE OF 120.08 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 12.26 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 50.00 FEET;

NORTH 89°46'34" EAST, A DISTANCE OF 50.00 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 120.00 FEET;

NORTH 89°46'34" EAST, A DISTANCE OF 695.00 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 110.00 FEET;

SOUTH 44°46'34" WEST, A DISTANCE OF 14.14 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 50.00 FEET;

SOUTH 45°13'26" EAST, A DISTANCE OF 14.14 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 220.00 FEET;

SOUTH 44°46'34" WEST, A DISTANCE OF 14.14 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 50.00 FEET;

SOUTH 45°13'26" EAST, A DISTANCE OF 14.14 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 220.00 FEET;

SOUTH 44°46'34" WEST, A DISTANCE OF 14.14 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 50.00 FEET;

SOUTH 45°13'26" EAST, A DISTANCE OF 14.14 FEET;

NORTH 89°46'34" EAST, A DISTANCE OF 50.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 14.49 FEET;

NORTH 89°46'34" EAST, A DISTANCE OF 121.21 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE NORTHWEST CORNER OF LOT 1, BLOCK A, OAK MOUNT ADDITION, AN ADDITION TO THE CITY OF OAK POINT, TEXAS, AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2020-242 OF SAID PLAT RECORDS;

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METES AND BOUNDS DESCRIPTION
74.769 ACRES

THENCE SOUTH 00°13'12" EAST, PASSING A 1/2-INCH CAPPED IRON ROD STAMPED "SPAIRS ENG" FOR THE WEST COMMON CORNER OF SAID OAK MOUNT ADDITION AND LOT 3, BLOCK A, POINT 720 ADDITION, AN ADDITION TO THE CITY OF OAK POINT, TEXAS, AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2022-132 OF SAID PLAT RECORDS AT 156.64 FEET, A TOTAL DISTANCE OF 753.00 FEET TO A MAGNAIL FOUND IN THE RIGHT-OF-WAY OF MCCORMICK ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE ALONG SAID RIGHT-OF-WAY, THE FOLLOWING COURSES AND DISTANCES:

NORTH 87°42'02" WEST, A DISTANCE OF 1152.27 FEET TO A MAGNAIL FOUND FOR THE SOUTH COMMON CORNER OF SAID BLOOMFIELD HOMES TRACTS;

NORTH 87°37'18" WEST, A DISTANCE OF 185.98 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND;

NORTH 62°18'03" WEST, A DISTANCE OF 1519.01 FEET TO A MAGNAIL FOUND IN THE EAST RIGHT-OF-WAY LINE OF WINCHESTER ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE NORTH 16°45'18" EAST, ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 729.00 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE SOUTHWEST CORNER OF BURGESS ADDITION, AN ADDITION TO THE CITY OF OAK POINT, DENTON COUNTY, TEXAS AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2017-359, PLAT RECORDS, DENTON COUNTY, TEXAS;

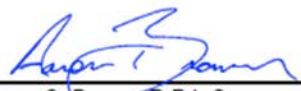
THENCE NORTH 88°51'25" EAST, WITH THE SOUTH LINE OF SAID BURGESS ADDITION, A DISTANCE OF 1315.21 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE SOUTHEAST CORNER OF SAME SUBDIVISION;

THENCE NORTH 00°13'01" WEST, WITH THE EAST LINE OF SAID BURGESS ADDITION, A DISTANCE OF 299.86 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE NORTHEAST CORNER OF SAME SUBDIVISION ON THE SOUTH LINE OF SAID DENTON MIDDLE SCHOOL NO. 8 ADDITION;

THENCE NORTH 89°48'53" EAST, WITH SAID SOUTH LINE, A DISTANCE OF 251.61 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 74.769 ACRES (3,256,915 SQ. FEET) OF LAND.

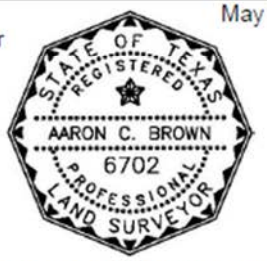
BASIS OF BEARING IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83 (2011) EPOCH 2010, AS DETERMINED BY GPS OBSERVATIONS.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.



Aaron C. Brown, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 6702
LJA Surveying, Inc.
3017 West 7th Street, Suite 300
Fort Worth, Texas 76107
682-747-0800
TBPELS Firm No. 10194382

May 14, 2024



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EXHIBIT D: OVERALL PUBLIC IMPROVEMENTS DISTRICT BOUNDARY
METES AND BOUNDS DESCRIPTION
131.705 ACRES

BEING 131.705 ACRES OF LAND SITUATED IN THE G. W. DANIEL SURVEY, ABSTRACT No. 331, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A TRACT OF LAND DESCRIBED TO BLOOMFIELD HOMES LP BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-14151, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AND ALL OF A TRACT OF LAND DESCRIBED TO BLOOMFIELD HOMES, LP BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-132563 OF SAID REAL PROPERTY RECORDS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE NORTHEAST CORNER OF LOT 1, BLOCK 1, DENTON MIDDLE SCHOOL NO. 8 ADDITION, AN ADDITION TO THE CITY OF OAK POINT, DENTON COUNTY, TEXAS AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2019-516, PLAT RECORDS, DENTON COUNTY, TEXAS, ON THE SOUTH RIGHT-OF-WAY LINE OF MARTOP ROAD (A VARIABLE-WIDTH RIGHT-OF-WAY) AS DEDICATED BY DEED RECORDED IN COUNTY CLERK FILE NO. 2007-23814 OF SAID REAL PROPERTY RECORDS;

THENCE WITH SAID SOUTH RIGHT-OF-WAY LINE, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 88°10'49" EAST, A DISTANCE OF 181.10 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

SOUTH 87°10'25" EAST, A DISTANCE OF 448.84 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 525.00 FEET AND A CHORD THAT BEARS SOUTH 74°25'42" EAST, 231.63 FEET;

WITH SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 25°29'19", AN ARC-DISTANCE OF 233.55 FEET TO A 5/8-INCH IRON ROD FOUND;

SOUTH 61°39'36" EAST, A DISTANCE OF 97.48 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 625.00 FEET AND A CHORD THAT BEARS SOUTH 71°15'47" EAST, 208.14 FEET;

WITH SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 19°10'12", AN ARC-DISTANCE OF 209.11 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED AS "TRACT 1" TO 12 AC FM720 PARTNERS LLC BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-98593 OF SAID REAL PROPERTY RECORDS;

THENCE SOUTH 00°12'59" EAST, WITH THE WEST LINE OF SAID TRACT 1, A DISTANCE OF 695.99 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE SOUTHWEST CORNER OF SAME TRACT;

THENCE WITH THE SOUTH LINE OF SAID TRACT 1, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89°46'34" EAST, A DISTANCE OF 114.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 77°40'54" EAST, A DISTANCE OF 71.59 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

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Page 1 of 3

METES AND BOUNDS DESCRIPTION
131.705 ACRES

NORTH 89°46'34" EAST, A DISTANCE OF 106.13 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 44°46'48" EAST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND ON THE WEST RIGHT-OF-WAY LINE OF F.M. HIGHWAY NO. 720 (A VARIABLE WIDTH RIGHT-OF-WAY) AS DEDICATED BY DEED RECORDED IN COUNTY CLERK FILE NO. 2013-50065 OF SAID REAL PROPERTY RECORDS;

THENCE SOUTH 00°12'57" EAST, WITH SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 100.00 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED AS "TRACT 2" TO 12 AC FM720 PARTNERS LLC BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-98593 OF SAID REAL PROPERTY RECORDS;

THENCE WITH THE NORTH LINE OF SAID TRACT 2, THE FOLLOWING COURSES AND DISTANCES:

NORTH 45°13'12" WEST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

SOUTH 89°46'34" WEST, A DISTANCE OF 106.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 78°07'44" WEST, A DISTANCE OF 71.59 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

SOUTH 89°46'34" WEST, A DISTANCE OF 114.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHWEST CORNER OF SAID TRACT 2;

THENCE SOUTH 00°13'19" EAST, WITH THE WEST LINE OF SAID TRACT 2, A DISTANCE OF 1152.20 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE SOUTHWEST CORNER OF SAME TRACT;

THENCE SOUTH 00°12'12" EAST, OVER AND ACROSS SAID BLOOMFIELD HOMES TRACT, A DISTANCE OF 508.30 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND ON THE NORTH LINE OF LOT 1, BLOCK A, OAK MOUNT ADDITION, AN ADDITION TO THE CITY OF OAK POINT, TEXAS, AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2020-242 OF SAID PLAT RECORDS;

THENCE SOUTH 89°46'23" WEST, WITH SAID NORTH LOT LINE, A DISTANCE OF 291.85 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE NORTHWEST CORNER OF SAME LOT;

THENCE SOUTH 00°13'12" EAST, PASSING A 1/2-INCH CAPPED IRON ROD STAMPED "SPAIRS ENG" FOR THE WEST COMMON CORNER OF SAID OAK MOUNT ADDITION AND LOT 3, BLOCK A, POINT 720 ADDITION, AN ADDITION TO THE CITY OF OAK POINT, TEXAS, AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2022-132 OF SAID PLAT RECORDS AT 156.64 FEET, A TOTAL DISTANCE OF 753.00 FEET TO A MAGNAIL FOUND IN THE RIGHT-OF-WAY OF MCCORMICK ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE ALONG SAID RIGHT-OF-WAY, THE FOLLOWING COURSES AND DISTANCES:

NORTH 87°42'02" WEST, A DISTANCE OF 1152.27 FEET TO A MAGNAIL FOUND FOR THE SOUTH COMMON CORNER OF SAID BLOOMFIELD HOMES TRACTS;

METES AND BOUNDS DESCRIPTION
131.705 ACRES

NORTH 87°37'18" WEST, A DISTANCE OF 185.98 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND;

NORTH 62°18'03" WEST, A DISTANCE OF 1519.01 FEET TO A MAGNAIL FOUND IN THE EAST RIGHT-OF-WAY LINE OF WINCHESTER ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE NORTH 16°45'18" EAST, ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 729.00 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE SOUTHWEST CORNER OF BURGESS ADDITION, AN ADDITION TO THE CITY OF OAK POINT, DENTON COUNTY, TEXAS AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2017-359, PLAT RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 88°51'25" EAST, WITH THE SOUTH LINE OF SAID BURGESS ADDITION, A DISTANCE OF 1315.24 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE SOUTHEAST CORNER OF SAME SUBDIVISION;

THENCE NORTH 00°13'26" WEST, WITH THE EAST LINE OF SAID BURGESS ADDITION, A DISTANCE OF 299.86 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE NORTHEAST CORNER OF SAME SUBDIVISION ON THE SOUTH LINE OF SAID DENTON MIDDLE SCHOOL NO. 8 ADDITION;

THENCE NORTH 89°48'53" EAST, WITH SAID SOUTH LINE, A DISTANCE OF 251.61 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "TNP" FOUND FOR THE SOUTHEAST CORNER OF SAID DENTON MIDDLE SCHOOL NO. 8 ADDITION;

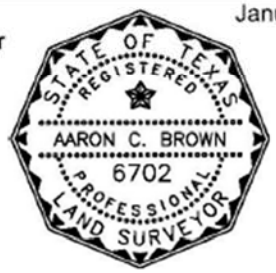
THENCE NORTH 01°51'10" EAST, WITH THE EAST LINE OF SAID DENTON MIDDLE SCHOOL NO. 8 ADDITION, A DISTANCE OF 1579.66 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 131.705 ACRES (5,737,071 SQ. FEET) OF LAND.

BASIS OF BEARING IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83 (2011) EPOCH 2010, AS DETERMINED BY GPS OBSERVATIONS.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

Aaron C. Brown, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 6702
LJA Surveying, Inc.
3017 West 7th Street, Suite 300
Fort Worth, Texas 76107
682-747-0800
TBPELS Firm No. 10194382

January 17, 2024



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0 250 500
FEET
MARTOP ROAD
LEGEND
LOT COUNT
LOT TYPE 1 139
LOT TYPE 2 102
FM 720
WINCHESTER ROAD
McCORMICK ROAD
LOT TYPES
IMPROVEMENT AREA #1
EXHIBIT E
LJA Engineering, Inc.

EXHIBIT F: IMPROVEMENT AREA NO. 1 OPC SUMMARY

CHAPARRAL PARK | **SUMMARY**

OVERALL SUMMARY	
A. EXCAVATION	$ 1,810,485.00
B. SANITARY SEWER SYSTEM	$ 1,656,016.00
C. STORM SEWER SYSTEM	$ 1,726,321.25
D. WATER DISTRIBUTION SYSTEM	$ 1,512,935.25
E. STREET PAVING	$ 2,640,517.00
F. RETAINING WALLS	$ 988,360.00
G. MISCELLANEOUS ITEMS	$ 271,254.60
H. LANDSCAPING	$ 663,015.00
I. DEVELOPMENT FEES	$ 1,959,315.78
SUB-TOTAL:	*$13,228,219.88*
10% CONTINGENCY:	*$1,323,500.00*
TOTAL CONSTRUCTION COSTS:	**$ 14,551,719.88**
LOT COUNT:	*241*
COST / LOT:	*$60,400*
LF OF STREET:	*9,524*
COST / LF OF STREET:	*$1,550*
NET DEVELOPABLE ACREAGE:	*50.68*
COST / DEVELOPABLE ACRE:	*$287,200*
TOTAL GROSS ACREAGE:	*56.93*
COST / GROSS ACRE:	*$255,700*

OPINION OF PROBABLE COST **Chaparral Park**

PATH: S:\NTX-LAND\0277\400LAND\405 Cost Estimate\2024-06 Chaparral Park OPC - Detailed\405.3 MS Office\2024_06 Chaparral Park OPC - sub out.xlsm

CHAPARRAL PARK

SUMMARY

	Total PID	Total Private	Total
OVERALL SUMMARY			
A. EXCAVATION	$ 361,572.75	$ 1,448,912.25	$ 1,810,485.00
B. SANITARY SEWER SYSTEM	$ 1,625,116.00	$ 30,900.00	$ 1,656,016.00
C. STORM SEWER SYSTEM	$ 1,726,321.25		$ 1,726,321.25
D. WATER DISTRIBUTION SYSTEM	$ 1,334,900.25	$ 178,035.00	$ 1,512,935.25
E. STREET PAVING	$ 2,640,517.00		$ 2,640,517.00
F. RETAINING WALLS		$ 988,360.00	$ 988,360.00
G. MISCELLANEOUS ITEMS	$ 271,254.60		$ 271,254.60
H. LANDSCAPING	$ 663,015.00		$ 663,015.00
I. DEVELOPMENT FEES	$ 1,959,315.78		$ 1,959,315.78
SUB-TOTAL:	*$10,582,012.63*	*$2,646,207.25*	*$13,228,219.88*
10% CONTINGENCY:	*$1,058,500.00*	*$265,000.00*	*$1,323,500.00*
TOTAL CONSTRUCTION COSTS:	**$11,640,512.63**	**$2,911,207.25**	**$14,551,719.88**
LOT COUNT:	*241*	*241*	*241*
COST / LOT:	*$48,400*	*$12,100*	*$60,400*
LF OF STREET:	*9,524*		*9,524*
COST / LF OF STREET:	*$1,250*		*$1,550*
NET DEVELOPABLE ACREAGE:	*50.68*		*50.68*
COST / DEVELOPABLE ACRE:	*$229,700*		*$287,200*
TOTAL GROSS ACREAGE:	*56.93*		*56.93*
COST / GROSS ACRE:	*$204,500*		*$255,700*

OPINION OF PROBABLE COST **Chaparral Park**

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CHAPARRAL PARK

SUMMARY

	Major Improvements PID	Improvement Area #1 PID (Direct)	Total PID
OVERALL SUMMARY			
A. EXCAVATION		$ 361,572.75	$ 361,572.75
B. SANITARY SEWER SYSTEM	$ 287,954.50	$ 1,337,161.50	$ 1,625,116.00
C. STORM SEWER SYSTEM		$ 1,726,321.25	$ 1,726,321.25
D. WATER DISTRIBUTION SYSTEM		$ 1,334,900.25	$ 1,334,900.25
E. STREET PAVING		$ 2,640,517.00	$ 2,640,517.00
F. RETAINING WALLS			
G. MISCELLANEOUS ITEMS		$ 271,254.60	$ 271,254.60
H. LANDSCAPING		$ 663,015.00	$ 663,015.00
I. DEVELOPMENT FEES	$ 6,000.00	$ 1,953,315.78	$ 1,959,315.78
SUB-TOTAL:	*$293,954.50*	*$10,288,058.13*	*$10,582,012.63*
10% CONTINGENCY:	*$29,500.00*	*$1,029,000.00*	*$1,058,500.00*
TOTAL CONSTRUCTION COSTS:	**$323,454.50**	**$11,317,058.13**	**$11,640,512.63**
LOT COUNT:		*241*	*241*
COST / LOT:		*$47,000*	*$48,400*
LF OF STREET:		*9,524*	*9,524*
COST / LF OF STREET:		*$1,200*	*$1,250*
NET DEVELOPABLE ACREAGE:		*50.68*	*50.68*
COST / DEVELOPABLE ACRE:		*$223,400*	*$229,700*
TOTAL GROSS ACREAGE:		*56.93*	*56.93*
COST / GROSS ACRE:		*$198,800*	*$204,500*

OPINION OF PROBABLE COST **Chaparral Park**

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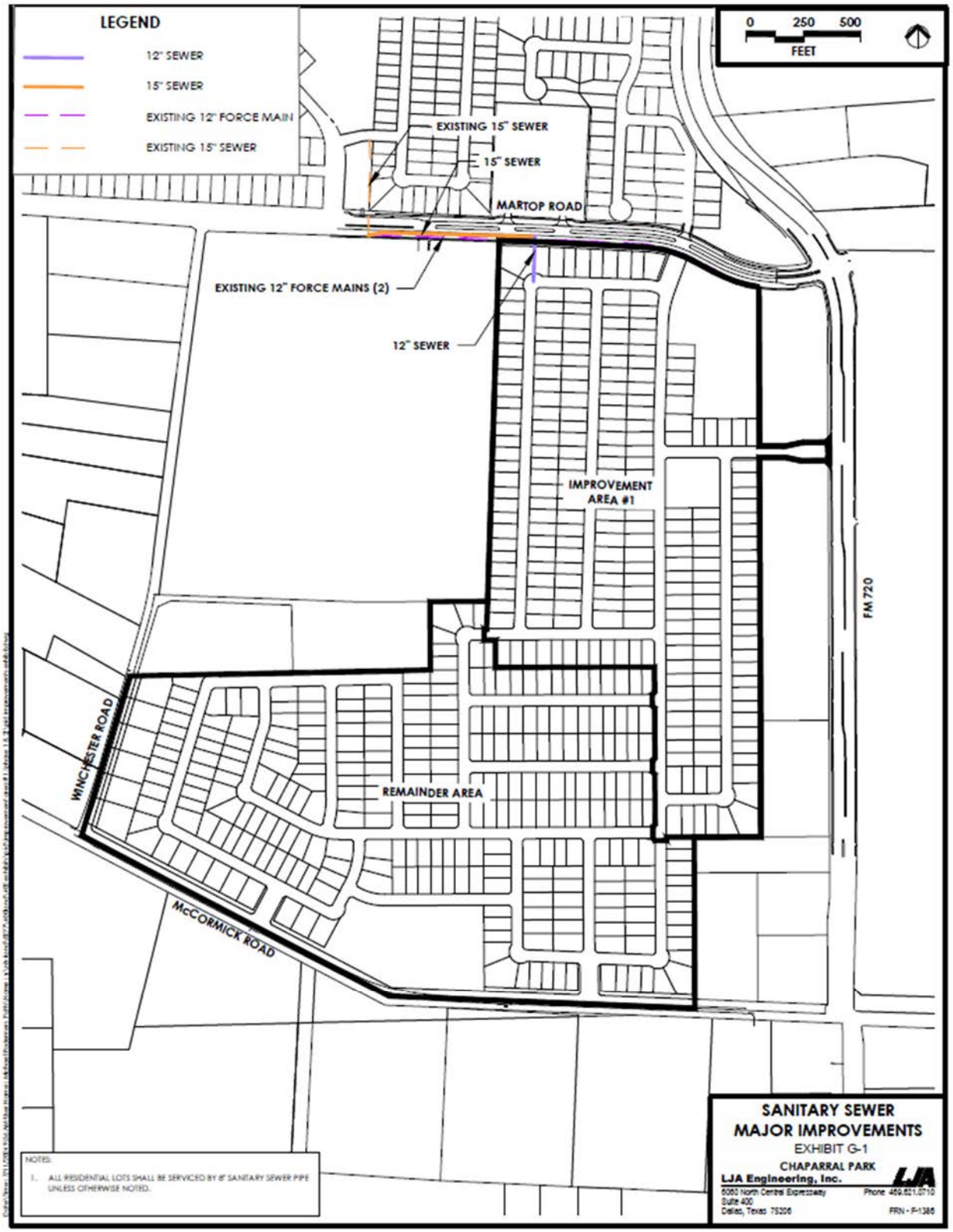
CHAPARRAL PARK

SUMMARY

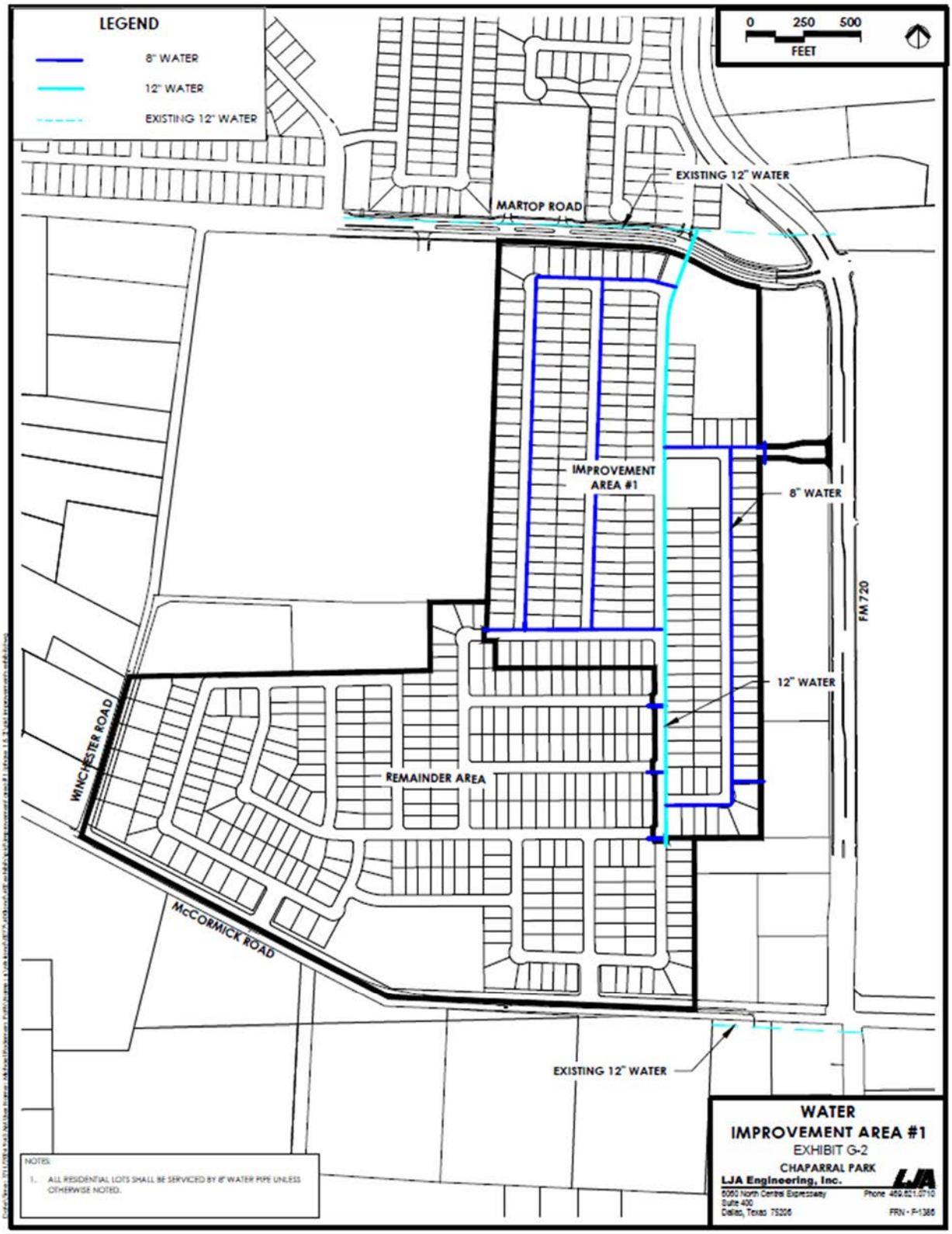
	Phase 1 Private	Phase 2 Private	Total Private
OVERALL SUMMARY			
A. EXCAVATION	$ 1,159,370.25	$ 289,542.00	$ 1,448,912.25
B. SANITARY SEWER SYSTEM		$ 30,900.00	$ 30,900.00
C. STORM SEWER SYSTEM			
D. WATER DISTRIBUTION SYSTEM	$ 178,035.00		$ 178,035.00
E. STREET PAVING			
F. RETAINING WALLS	$ 577,290.00	$ 411,070.00	$ 988,360.00
G. MISCELLANEOUS ITEMS			
H. LANDSCAPING			
I. DEVELOPMENT FEES			
SUB-TOTAL:	*$1,914,695.25*	*$731,512.00*	*$2,646,207.25*
10% CONTINGENCY:	*$191,500.00*	*$73,500.00*	*$265,000.00*
TOTAL CONSTRUCTION COSTS:	**$2,106,195.25**	**$805,012.00**	**$2,911,207.25**
LOT COUNT:	*179*	*62*	*241*
COST / LOT:	*$11,800*	*$13,000*	*$12,100*
LF OF STREET:			
COST / LF OF STREET:			
NET DEVELOPABLE ACREAGE:			
COST / DEVELOPABLE ACRE:			
TOTAL GROSS ACREAGE:			
COST / GROSS ACRE:			

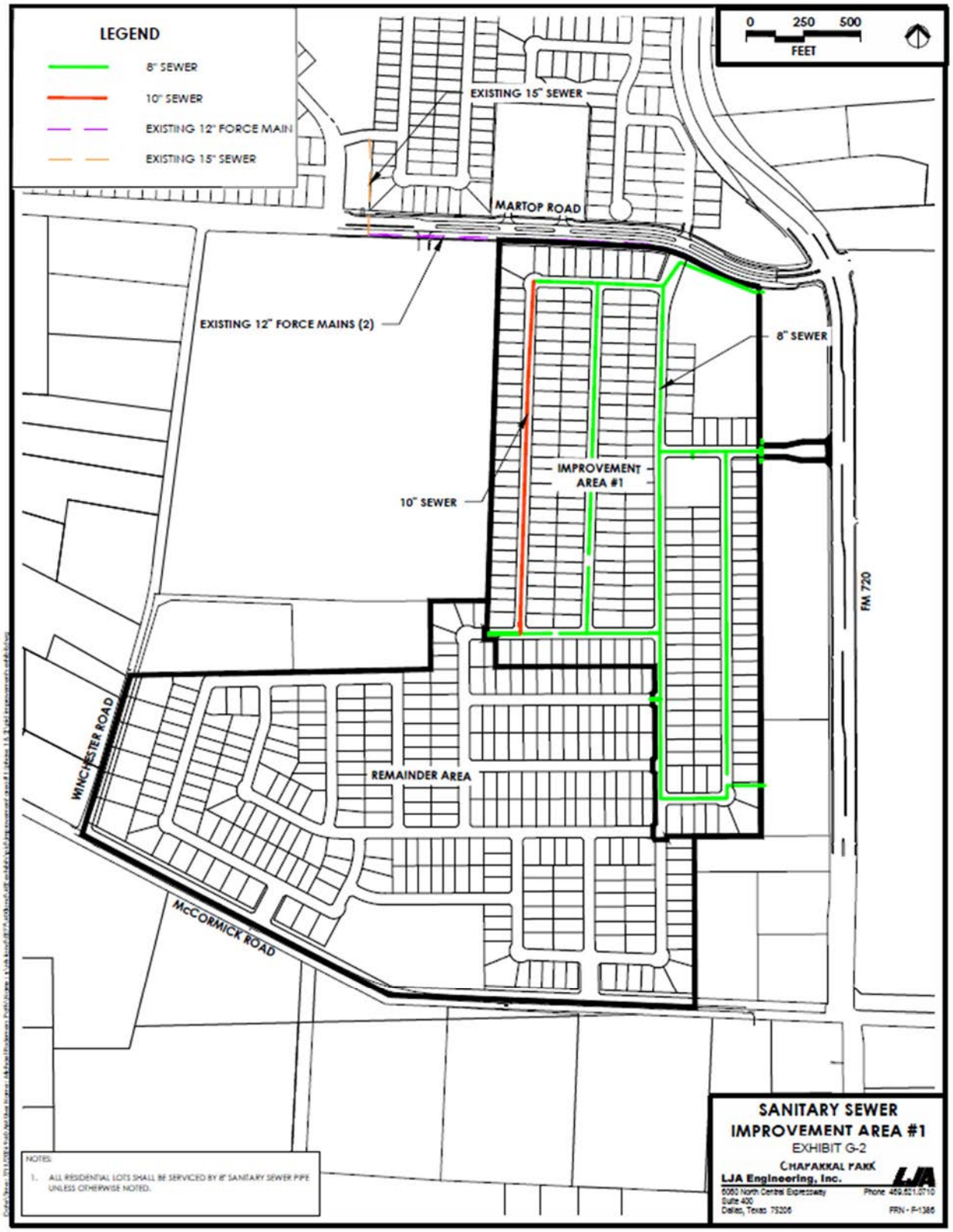
OPINION OF PROBABLE COST Chaparral Park

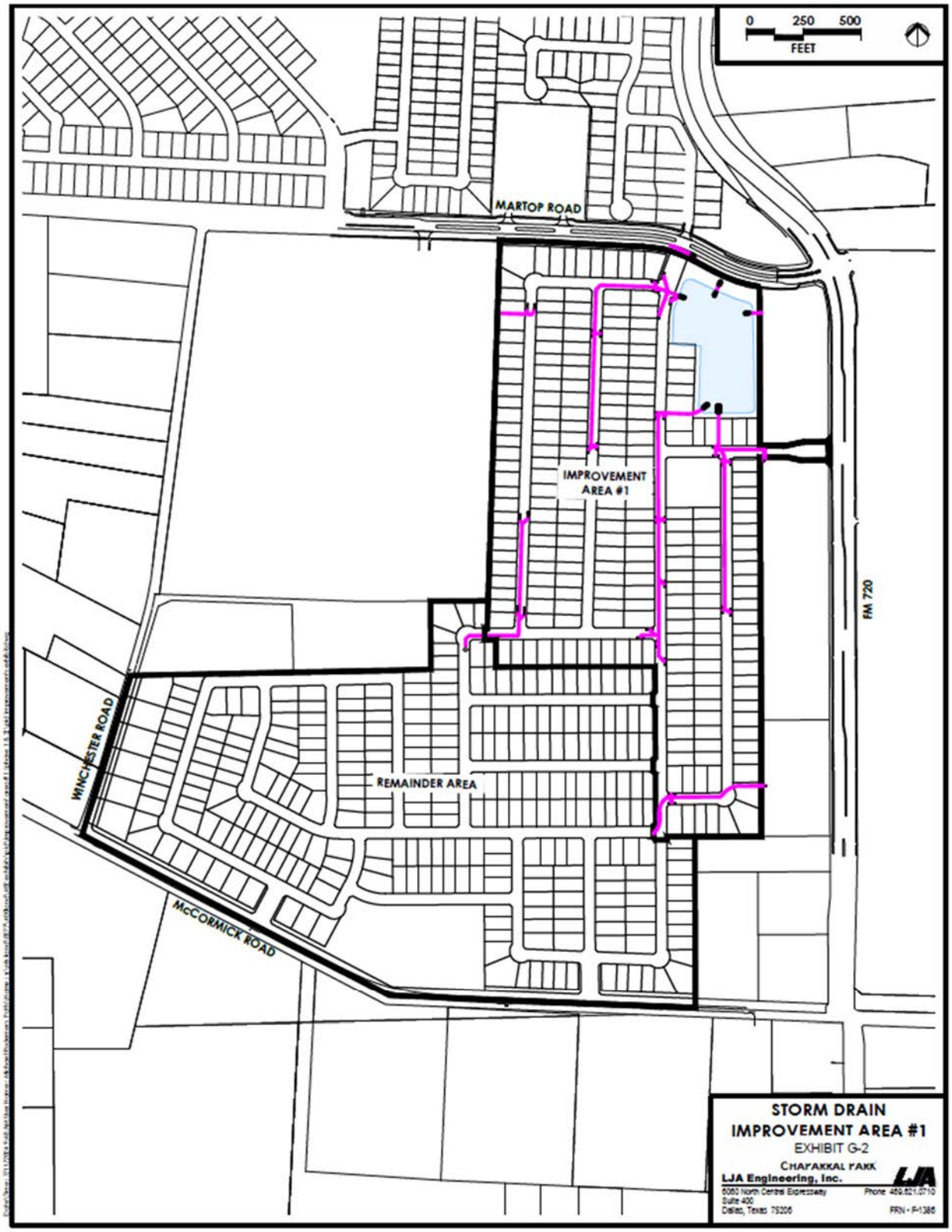
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LEGEND
12" SEWER
15" SEWER
EXISTING 12" FORCE MAIN
EXISTING 15" SEWER
0 250 500
FEET
EXISTING 15" SEWER
15" SEWER
MARTOP ROAD
EXISTING 12" FORCE MAINS (2)
12" SEWER
IMPROVEMENT AREA #1
FM 720
WINCHESTER ROAD
REMAINDER AREA
McCORMICK ROAD
NOTES:
1. ALL RESIDENTIAL LOTS SHALL BE SERVICED BY 8" SANITARY SEWER PIPE UNLESS OTHERWISE NOTED.
SANITARY SEWER
MAJOR IMPROVEMENTS
EXHIBIT G-1
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone: 469.621.0710
FRN - F-1386


LEGEND
50' ROW (31' B-B)
80' ROW - FULL SECTION (2 - 25' B-B)
0 250 500
FEET
MARTOP ROAD
80' ROW
FULL SECTION
80' ROW
FULL SECTION
IMPROVEMENT
AREA #1
FM 720
WINCHESTER ROAD
REMAINDER AREA
McCORMICK ROAD
NOTES:
1. ALL RESIDENTIAL STREETS SHALL BE 50' ROW UNLESS OTHERWISE NOTED.
PAVING
IMPROVEMENT AREA #1
EXHIBIT G-2
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386


LEGEND
8" WATER
12" WATER
EXISTING 12" WATER
0 250 500
FEET
EXISTING 12" WATER
MARTOP ROAD
IMPROVEMENT AREA #1
8" WATER
FM 720
12" WATER
WINCHESTER ROAD
REMAINDER AREA
McCORMICK ROAD
EXISTING 12" WATER
NOTES:
1. ALL RESIDENTIAL LOTS SHALL BE SERVICED BY 8" WATER PIPE UNLESS OTHERWISE NOTED.
WATER
IMPROVEMENT AREA #1
EXHIBIT G-2
CHAPARRAL PARK
LJA Engineering, Inc.
5060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386


LEGEND
8" SEWER
10" SEWER
EXISTING 12" FORCE MAIN
EXISTING 15" SEWER
0 250 500
FEET
EXISTING 15" SEWER
MARTOP ROAD
EXISTING 12" FORCE MAINS (2)
8" SEWER
IMPROVEMENT AREA #1
10" SEWER
FM 720
WINCHESTER ROAD
REMAINDER AREA
McCORMICK ROAD
NOTES:
1. ALL RESIDENTIAL LOTS SHALL BE SERVICED BY 8" SANITARY SEWER PIPE UNLESS OTHERWISE NOTED.
SANITARY SEWER IMPROVEMENT AREA #1
EXHIBIT G-2
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386


0 250 500
FEET
MARTOP ROAD
IMPROVEMENT AREA #1
FM 720
WINCHESTER ROAD
REMAINDER AREA
McCORMICK ROAD
STORM DRAIN
IMPROVEMENT AREA #1
EXHIBIT G-2
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386

APPENDIX B – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this appendix:

- Improvement Area #1
  - Improvement Area #1 Initial Parcel
  - Lot Type 1
  - Lot Type 2

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CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1
INITIAL PARCEL – BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF OAK POINT, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: $11,549,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Oak Point, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Oak Point. The exact amount of each annual installment will be approved each year by the City of Oak Point City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Oak Point.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County 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 Denton 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 Denton County.

ANNUAL INSTALLMENTS – IMPROVEMENT AREA #1 INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Capitalized Interest	Reserve Fund[b]	Annual Collection Costs	Annual Installment[c]
2025	$ -	$ 535,268.21	$ 57,745.00	$ (535,268.21)	$ -	$ 40,000.00	$ 97,745.00
2026	$ 185,000.00	$ 587,489.50	$ 57,745.00	$ -	$ -	$ 40,800.00	$ 871,034.50
2027	$ 193,000.00	$ 579,627.00	$ 56,820.00	$ -	$ -	$ 41,616.00	$ 871,063.00
2028	$ 202,000.00	$ 571,424.50	$ 55,855.00	$ -	$ -	$ 42,448.32	$ 871,727.82
2029	$ 210,000.00	$ 562,839.50	$ 54,845.00	$ -	$ -	$ 43,297.29	$ 870,981.79
2030	$ 219,000.00	$ 553,914.50	$ 53,795.00	$ -	$ -	$ 44,163.24	$ 870,872.74
2031	$ 229,000.00	$ 544,607.00	$ 52,700.00	$ -	$ -	$ 45,046.50	$ 871,353.50
2032	$ 239,000.00	$ 534,874.50	$ 51,555.00	$ -	$ -	$ 45,947.43	$ 871,376.93
2033	$ 251,000.00	$ 522,685.50	$ 50,360.00	$ -	$ -	$ 46,866.38	$ 870,911.88
2034	$ 265,000.00	$ 509,884.50	$ 49,105.00	$ -	$ -	$ 47,803.71	$ 871,793.21
2035	$ 278,000.00	$ 496,369.50	$ 47,780.00	$ -	$ -	$ 48,759.78	$ 870,909.28
2036	$ 293,000.00	$ 482,191.50	$ 46,390.00	$ -	$ -	$ 49,734.98	$ 871,316.48
2037	$ 308,000.00	$ 467,248.50	$ 44,925.00	$ -	$ -	$ 50,729.68	$ 870,903.18
2038	$ 325,000.00	$ 451,540.50	$ 43,385.00	$ -	$ -	$ 51,744.27	$ 871,669.77
2039	$ 342,000.00	$ 434,965.50	$ 41,760.00	$ -	$ -	$ 52,779.16	$ 871,504.66
2040	$ 360,000.00	$ 417,523.50	$ 40,050.00	$ -	$ -	$ 53,834.74	$ 871,408.24
2041	$ 379,000.00	$ 399,163.50	$ 38,250.00	$ -	$ -	$ 54,911.43	$ 871,324.93
2042	$ 399,000.00	$ 379,834.50	$ 36,355.00	$ -	$ -	$ 56,009.66	$ 871,199.16
2043	$ 420,000.00	$ 359,485.50	$ 34,360.00	$ -	$ -	$ 57,129.85	$ 870,975.35
2044	$ 443,000.00	$ 338,065.50	$ 32,260.00	$ -	$ -	$ 58,272.45	$ 871,597.95
2045	$ 466,000.00	$ 315,472.50	$ 30,045.00	$ -	$ -	$ 59,437.90	$ 870,955.40
2046	$ 492,000.00	$ 291,007.50	$ 27,715.00	$ -	$ -	$ 60,626.66	$ 871,349.16
2047	$ 519,000.00	$ 265,177.50	$ 25,255.00	$ -	$ -	$ 61,839.19	$ 871,271.69
2048	$ 548,000.00	$ 237,930.00	$ 22,660.00	$ -	$ -	$ 63,075.97	$ 871,665.97
2049	$ 578,000.00	$ 209,160.00	$ 19,920.00	$ -	$ -	$ 64,337.49	$ 871,417.49
2050	$ 610,000.00	$ 178,815.00	$ 17,030.00	$ -	$ -	$ 65,624.24	$ 871,469.24
2051	$ 643,000.00	$ 146,790.00	$ 13,980.00	$ -	$ -	$ 66,936.72	$ 870,706.72
2052	$ 679,000.00	$ 113,032.50	$ 10,765.00	$ -	$ -	$ 68,275.45	$ 871,072.95
2053	$ 717,000.00	$ 77,385.00	$ 7,370.00	$ -	$ -	$ 69,640.96	$ 871,395.96
2054	$ 757,000.00	$ 39,742.50	$ 3,785.00	$ -	$ (796,742.50)	$ 71,033.78	$ 74,818.78
Total	**$ 11,549,000.00**	**$ 11,603,515.21**	**$ 1,124,565.00**	**$ (535,268.21)**	**$ (796,742.50)**	**$ 1,622,723.23**	**$ 24,567,792.73**

Footnotes:

[a] Interest rate on Improvement Area #1 Bonds is 4.25% for bonds maturing 2031, 5.10% for bonds maturing 2044, and 5.25% for bonds maturing 2054.

[b] Assumes the Reserve Fund is fully funded and available to reduce Improvement Area #1 Annual Installments in the final year.

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

CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 – LOT TYPE 1 – BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF OAK POINT, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 – LOT TYPE 1 PRINCIPAL ASSESSMENT: $44,362.66

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Oak Point, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT*** *(*the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Oak Point. The exact amount of each annual installment will be approved each year by the City of Oak Point City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Oak Point.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County 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 Denton 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 Denton County.

ANNUAL INSTALLMENTS – IMPROVEMENT AREA #1 LOT TYPE 1

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Capitalized Interest	Annual Collection Costs	Annual Installment[b]
2025	$ -	$ 2,056.10	$ 221.81	$ (2,056.10)	$ 153.65	$ 375.46
2026	$ 710.63	$ 2,256.70	$ 221.81	$ -	$ 156.72	$ 3,345.87
2027	$ 741.36	$ 2,226.50	$ 218.26	$ -	$ 159.86	$ 3,345.98
2028	$ 775.93	$ 2,194.99	$ 214.55	$ -	$ 163.05	$ 3,348.53
2029	$ 806.66	$ 2,162.01	$ 210.67	$ -	$ 166.32	$ 3,345.66
2030	$ 841.23	$ 2,127.73	$ 206.64	$ -	$ 169.64	$ 3,345.24
2031	$ 879.65	$ 2,091.97	$ 202.43	$ -	$ 173.04	$ 3,347.09
2032	$ 918.06	$ 2,054.59	$ 198.04	$ -	$ 176.50	$ 3,347.18
2033	$ 964.16	$ 2,007.77	$ 193.45	$ -	$ 180.03	$ 3,345.39
2034	$ 1,017.93	$ 1,958.60	$ 188.62	$ -	$ 183.63	$ 3,348.78
2035	$ 1,067.87	$ 1,906.68	$ 183.54	$ -	$ 187.30	$ 3,345.38
2036	$ 1,125.49	$ 1,852.22	$ 178.20	$ -	$ 191.04	$ 3,346.95
2037	$ 1,183.11	$ 1,794.82	$ 172.57	$ -	$ 194.87	$ 3,345.36
2038	$ 1,248.41	$ 1,734.48	$ 166.65	$ -	$ 198.76	$ 3,348.31
2039	$ 1,313.71	$ 1,670.81	$ 160.41	$ -	$ 202.74	$ 3,347.67
2040	$ 1,382.85	$ 1,603.81	$ 153.84	$ -	$ 206.79	$ 3,347.30
2041	$ 1,455.84	$ 1,533.29	$ 146.93	$ -	$ 210.93	$ 3,346.98
2042	$ 1,532.66	$ 1,459.04	$ 139.65	$ -	$ 215.15	$ 3,346.50
2043	$ 1,613.33	$ 1,380.88	$ 131.99	$ -	$ 219.45	$ 3,345.64
2044	$ 1,701.68	$ 1,298.60	$ 123.92	$ -	$ 223.84	$ 3,348.03
2045	$ 1,790.02	$ 1,211.81	$ 115.41	$ -	$ 228.32	$ 3,345.56
2046	$ 1,889.90	$ 1,117.83	$ 106.46	$ -	$ 232.88	$ 3,347.07
2047	$ 1,993.61	$ 1,018.61	$ 97.01	$ -	$ 237.54	$ 3,346.78
2048	$ 2,105.01	$ 913.95	$ 87.04	$ -	$ 242.29	$ 3,348.29
2049	$ 2,220.25	$ 803.44	$ 76.52	$ -	$ 247.14	$ 3,347.34
2050	$ 2,343.17	$ 686.87	$ 65.42	$ -	$ 252.08	$ 3,347.54
2051	$ 2,469.93	$ 563.86	$ 53.70	$ -	$ 257.12	$ 3,344.61
2052	$ 2,608.21	$ 434.19	$ 41.35	$ -	$ 262.26	$ 3,346.01
2053	$ 2,754.18	$ 297.26	$ 28.31	$ -	$ 267.51	$ 3,347.25
2054	$ 2,907.83	$ 152.66	$ 14.54	$ -	$ 272.86	$ 3,347.89
Total[c]	**$ 44,362.66**	**$ 44,572.06**	**$ 4,319.74**	**$ (2,056.10)**	**$ 6,233.29**	**$ 97,431.66**

Footnotes:

[a] Interest rate on Improvement Area #1 Bonds is 4.25% for bonds maturing 2031, 5.10% for bonds maturing 2044, and 5.25% for bonds maturing 2054.

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

[c] Totals may not sum due to rounding.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 – LOT TYPE 2 – BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____
_____
_____
_____
_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF OAK POINT, TEXAS CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

IMPROVEMENT AREA #1 – LOT TYPE 2 PRINCIPAL ASSESSMENT: $52,770.50

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Oak Point, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the ***CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT*** *(*the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Oak Point. The exact amount of each annual installment will be approved each year by the City of Oak Point City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Oak Point.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County 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 Denton 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 Denton County.

ANNUAL INSTALLMENTS – IMPROVEMENT AREA #1 LOT TYPE 2

Annual Installment Due 1/31	Principal	Interest[a]	Additional Interest	Capitalized Interest	Annual Collection Costs	Annual Installment[b]
2025	$ -	$ 2,445.78	$ 263.85	$ (2,445.78)	$ 182.77	$ 446.62
2026	$ 845.31	$ 2,684.40	$ 263.85	$ -	$ 186.43	$ 3,979.99
2027	$ 881.87	$ 2,648.47	$ 259.63	$ -	$ 190.15	$ 3,980.12
2028	$ 922.99	$ 2,610.99	$ 255.22	$ -	$ 193.96	$ 3,983.16
2029	$ 959.55	$ 2,571.77	$ 250.60	$ -	$ 197.84	$ 3,979.75
2030	$ 1,000.67	$ 2,530.98	$ 245.80	$ -	$ 201.79	$ 3,979.25
2031	$ 1,046.36	$ 2,488.46	$ 240.80	$ -	$ 205.83	$ 3,981.45
2032	$ 1,092.06	$ 2,443.99	$ 235.57	$ -	$ 209.95	$ 3,981.56
2033	$ 1,146.89	$ 2,388.29	$ 230.11	$ -	$ 214.15	$ 3,979.43
2034	$ 1,210.86	$ 2,329.80	$ 224.37	$ -	$ 218.43	$ 3,983.46
2035	$ 1,270.26	$ 2,268.05	$ 218.32	$ -	$ 222.80	$ 3,979.42
2036	$ 1,338.80	$ 2,203.26	$ 211.97	$ -	$ 227.25	$ 3,981.28
2037	$ 1,407.34	$ 2,134.98	$ 205.27	$ -	$ 231.80	$ 3,979.39
2038	$ 1,485.01	$ 2,063.21	$ 198.24	$ -	$ 236.43	$ 3,982.89
2039	$ 1,562.69	$ 1,987.47	$ 190.81	$ -	$ 241.16	$ 3,982.14
2040	$ 1,644.94	$ 1,907.78	$ 183.00	$ -	$ 245.99	$ 3,981.70
2041	$ 1,731.75	$ 1,823.89	$ 174.77	$ -	$ 250.91	$ 3,981.32
2042	$ 1,823.14	$ 1,735.57	$ 166.12	$ -	$ 255.92	$ 3,980.74
2043	$ 1,919.09	$ 1,642.59	$ 157.00	$ -	$ 261.04	$ 3,979.72
2044	$ 2,024.19	$ 1,544.71	$ 147.40	$ -	$ 266.26	$ 3,982.57
2045	$ 2,129.28	$ 1,441.48	$ 137.28	$ -	$ 271.59	$ 3,979.63
2046	$ 2,248.08	$ 1,329.69	$ 126.64	$ -	$ 277.02	$ 3,981.43
2047	$ 2,371.45	$ 1,211.67	$ 115.40	$ -	$ 282.56	$ 3,981.08
2048	$ 2,503.96	$ 1,087.17	$ 103.54	$ -	$ 288.21	$ 3,982.88
2049	$ 2,641.04	$ 955.71	$ 91.02	$ -	$ 293.98	$ 3,981.74
2050	$ 2,787.25	$ 817.05	$ 77.81	$ -	$ 299.85	$ 3,981.98
2051	$ 2,938.04	$ 670.72	$ 63.88	$ -	$ 305.85	$ 3,978.49
2052	$ 3,102.53	$ 516.48	$ 49.19	$ -	$ 311.97	$ 3,980.17
2053	$ 3,276.17	$ 353.59	$ 33.68	$ -	$ 318.21	$ 3,981.64
2054	$ 3,458.94	$ 181.59	$ 17.29	$ -	$ 324.57	$ 3,982.40
Total[c]	**$ 52,770.50**	**$ 53,019.59**	**$ 5,138.44**	**$ (2,445.78)**	**$ 7,414.66**	**$ 115,897.40**

Footnotes:

[a] Interest rate on Improvement Area #1 Bonds is 4.25% for bonds maturing 2031, 5.10% for bonds maturing 2044, and 5.25% for bonds maturing 2054.

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

[c] Totals may not sum due to rounding.

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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NORTON ROSE FULBRIGHT

[CLOSING DATE]

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

IN REGARD to the authorization and issuance of the "City of Oak Point, Texas, Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Project)" (the "Bonds"), dated October 17, 2024, in the principal amount of $11,549,000 we have examined the legality and validity of the issuance thereof by the City of Oak Point, Texas (the "City") solely to express legal opinions as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, or the history or prospects of the collection of the Pledged Revenues, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds, and have not assumed any responsibility with respect thereto. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Indenture.

THE BONDS are issued in fully registered form only and mature on September 15 in each of the years specified in an Indenture of Trust (the "Indenture"), dated as of October 1, 2024, with Wilmington Trust, National Association, as trustee (the "Trustee"), approved by the City Council of the City pursuant to an ordinance (the "Ordinance") adopted by the City Council of the City authorizing the issuance of the Bonds, unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Indenture.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings had in connection with the issuance of the Bonds, including the Indenture, the Ordinance and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATION, we are of the opinion that, under applicable law of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been authorized, issued and delivered in accordance with law; that the Bonds are valid, legally binding and enforceable limited obligations of the City in accordance with their terms payable solely from the Trust Estate, except to the extent the

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enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally.

2. Assuming continuing compliance after the date hereof by the City with the provisions of the Indenture and in reliance upon representations and certifications of the City made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds for federal income tax purposes (i) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date hereof, of the owners thereof pursuant to Section 103 of such Code, existing regulations, published rulings, and court decisions thereunder, and (ii) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

We express no opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

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; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

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CITY OF OAK POINT, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of October 1, 2024 (this "Disclosure Agreement"), is executed and delivered by and among the City of Oak Point, Texas (the "Issuer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., acting solely in its capacity as dissemination agent (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Project)" (the "Bonds"). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of October 1, 2024, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

"Additional Obligations" shall have the meaning assigned to such term in the Indenture.

"Administrator" shall have the meaning assigned to such term in the Indenture. The initial Administrator is P3Works, LLC.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Collections Report" shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Annual Collections Report Filing Date" shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Annual Issuer Report" shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Annual Issuer Report Filing Date" shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer's Fiscal Year, which Annual Issuer Report Filing Date is currently March 31.

"Annual Service Plan Update" shall have the meaning assigned to such term in the Indenture.

"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 Bloomfield Homes, L.P., a Texas limited partnership, and its designated successors and assigns.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of October 1, 2024, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

"Disclosure Representative" shall mean the Finance Director or City Manager of the Issuer or his or her designee or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., 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 Chaparral Park Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System currently available on the internet at http://emma.msrb.org.

"Final Assessment Payment Date" shall mean the calendar day preceding the Delinquency Date.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the Issuer's fiscal year, currently the twelve-month period from October 1 through September 30.

"Improvement Area #1" shall have the meaning assigned to such term in the Indenture.

"Listed Events" shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

"Prepayment" shall have the meaning assigned to such term in the Indenture.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Tax Year" means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

"Trust Estate" shall have the meaning assigned to such term in the Indenture.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2025, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Issuer Report Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement. The Annual Issuer Report may, but is not required to, include the Audited Financial Statements and the failure to include the audited financial statements as a part of the Annual Issuer Report shall not violate the Issuer's obligations under this Disclosure Agreement provided the Issuer provides its audited financial statements within twelve (12) months of the most recently ended Fiscal Year or, if the audited financial statements are not available within such twelve-month period, the Issuer provides unaudited financial statements within such twelve-month period, and provides audited financial statements when and if available. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the

next Annual Issuer Report Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Issuer Report Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent together with written direction to file such Annual Issuer Report with the MSRB. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer, but in no event later than the Annual Issuer Report Filing Date for such Fiscal Year.

If by the fifth (5^{th}) day before the Annual Issuer Report Filing Date the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Annual Issuer Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Annual Issuer Report Filing Date, state the date by which the Annual Issuer Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Issuer Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Issuer Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Issuer Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Issuer Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2^{nd}) Business Day prior to the Annual Issuer Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the applicable Annual Issuer Report Filing Date.

(b) The Issuer shall or shall cause the Dissemination Agent pursuant to written direction to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer verifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Issuer Report Filing Date, the following:

(a) *Annual Financial Information*. The following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date(s), the interest rate(s), the original aggregate principal amount(s), the principal amount(s) remaining Outstanding, and the total interest amount due on the aggregate principal amount Outstanding;

(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments;

(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;

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) *Audited Financial Statements*. The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant, *but only if* available by the Annual Issuer Report Filing Date. If the audited financial statements of the Issuer are not available within twelve months after the end of the Fiscal Year, the Issuer shall provide notice that the audited financial statements are not available, file unaudited financial statements within such twelve-month period, and file audited financial statements when prepared and available.

(c) A form for submitting the information described in subsection 4(a) above is attached as Exhibit B hereto. Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Issuer Report, if such Annual Collections Report is available when the Annual Issuer Report is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5^{th}) day before the Annual Collections Report Filing Date the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the applicable Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1^{st}) day of the

Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the City shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the Bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within Improvement Area #1 in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Additional Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than three (3) Business Days immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days' written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination appointed hereunder shall be HTS

Continuing Disclosure Services, a division of Hilltop Securities, Inc. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Continuing Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Continuing Disclosure Agreement of Developer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such

information or include it in any future Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Dissemination Agent (at the written request of the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Issuer Report in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Issuer Report or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of 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, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each individually, make the following representation and verifications to enable the Issuer to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator, as the case may be, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification prior to the expiration or earlier termination of this Disclosure Agreement shall survive until barred by the applicable

statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

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

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

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

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

SECTION 20. Disclosure of Interested Parties. 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 and Venue. This Disclosure Agreement shall be governed by the laws of the State of Texas. Venue of any action to enforce the rights and privileges existing under this Disclosure Agreement shall be brought in the state district court of Denton County, Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. 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 OAK POINT, TEXAS

By: _____
City Manager

HTS Continuing Disclosure Services, a division of
Hilltop Securities, Inc.,
(as Dissemination Agent)

By: _____
Authorized Officer

P3Works, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL ISSUER REPORT][ANNUAL COLLECTIONS REPORT]
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]

Name of Issuer:	City of Oak Point, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Project) (the "Bonds")
CUSIP Nos.	[insert CUSIP Nos.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of Oak Point, Texas (the "Issuer"), has not provided [an Annual Issuer Report][an Annual Collections Report][audited/unaudited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of October 1, 2024, by and among the Issuer, P3Works, LLC., as "Administrator," and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as "Dissemination Agent." The Issuer anticipates that [the Annual Issuer Report][the Annual Collections Report][audited/unaudited financial statements] will be filed by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., on behalf of the City of Oak Point, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Oak Point, Texas

EXHIBIT B

CITY OF OAK POINT, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
Address: [_____]
City: [_]
Telephone: (___) ___-____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
		Total		

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value[(1)]	Book Value[(1)]	Market Value[(1)]

[(1)] According to account balance statement dated as of [insert date] as provided by the Trustee.

*Excluding audited financial statements of the Issuer

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF TRUST ESTATE

Cash Position of Trust Estate for statements dated September 30, 20[__]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding 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 #1 [(1)]

Property Owner	No. of Parcels/Lots	Percentage of Parcels/Lots	Outstanding Assessments	Percentage of Total Assessments

[(1)] Does not include those owing less than one percent (1%) of total Assessments; may be fewer than five.

Assessed Value of Improvement Area #1 of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #1 of the District is approximately $[AMOUNT] according to the Denton County Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Delinquent Assessment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Assessment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
	$		$		$
20__					
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Total Annual Installment Billed	Parcels Levied[(1)]	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Delinquent Amount as of [9/1]	Delinquent % as of [9/1]	Total Assessments Collected[(2)]
	$		$	%	$	%	$
20__							
20__							
20__							
20__							
20__							

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

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

Fiscal Year Ended (9/30)	Delinquent % as of 9/1	Parcel Numbers
	%	
20__		
20__		
20__		
20__		
20__		

History of Prepayment of Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Bonds Redeemed
		$		$
20__				
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)
[Insert a line item for each applicable listing]

EXHIBIT C

CITY OF OAK POINT, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
Address: [_____]
City: [_____, Texas _____]
Telephone: (___) ___-____
Contact Person: Attn: _____

SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE AGREEMENT

Foreclosure History Related To The Annual Installments[(1)]

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	$		$		$

(i) Period covered includes October 1, 20__ through March 1, 20__.

Collection and Delinquency of Annual Installments [1]

Succeeding Fiscal Year 20__	Total Annual Installments Levied $	Parcels Levied[2]	Delinquent Amount as of 3/1 $	Delinquent % as of 3/1 %	Total Annual Installments Collected[3] $

[1] Period covered includes October 1, 20__ through March 1, 20__.

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

[3] [Does/does not] include interest and penalties.

Prepayment of Assessments[1]

Succeeding Fiscal Year	Number of Prepayments	Amount of Prepayments $	Bond Call Date	Amount of Bonds Redeemed $

[1] Period covered includes October 1, 20__ through March 1, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES[1]

Date	Delinquency Clock (Days)	Activity
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
	15	Upon receipt, but no later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 15	43/44	Trustee pays bond interest payments to Owners.
April 1	59/60	At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.
July 1	**152/153**	**If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for**

[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 Tax Assessor/Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

		transfer to the Principal and Interest Account of such amounts as shall be required for the full September payment, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Report. **Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.** If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer. If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
August 15	197/198	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198). **Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures**. **Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Report**.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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CITY OF OAK POINT, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 IMPROVEMENT)

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of October 1, 2024 (this "Disclosure Agreement"), is executed and delivered by and among Bloomfield Homes, L.P., a Texas limited partnership (the "Developer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., acting solely in its capacity as dissemination agent (the "Dissemination Agent") with respect to the captioned bonds (the "Bonds"). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust, dated as of October 1, 2024, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

"Administrator" shall have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC, as the initial Administrator.

"Affiliate" shall mean an entity is controlled by, controls, or is under common control with another entity.

"Amenities" shall mean an amenity center, to include a swimming pool, restrooms, and playground equipment, and trails and open space areas throughout the District that the Developer intends to construct in the District in accordance with the Development Agreement.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Certification Letter" shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

"Developer" shall mean Bloomfield Homes, L.P., a Texas limited partnership, its successors and assigns, including any Affiliate of the Developer.

"Developer Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Development Agreement" shall mean the Chaparral Park Development Agreement by and between the City and the Developer, effective as of December 22, 2022, as amended.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds dated as of even date herewith executed and delivered by the Issuer, the Administrator, and the Dissemination Agent.

"Dissemination Agent" shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean the Chaparral Park Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at http://emma.msrb.org.

"Homebuilder" shall mean any merchant homebuilder who enters into an Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

"Improvement Area #1" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #1 Improvements" shall have the meaning assigned to such term in the Indenture.

"Issuer" shall mean the City of Oak Point, Texas.

"Listed Events" shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

"Lot Purchase Agreement" shall mean, with respect to lots or land within Improvement Area #1 of the District, any agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

"Parcel" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"Person" shall have the meaning assigned to such term in the Indenture.

"Quarterly Ending Date" shall mean each March 31, June 30, September 30 and December 31, beginning December 31, 2024.

"Quarterly Filing Date" shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, and November 15.

"Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

"Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

"Reporting Party" shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Significant Homebuilder" shall mean a Homebuilder that then owns 12 or more of the single family residential lots within Improvement Area #1.

"Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party's obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant

Homebuilder and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to the applicable Quarterly Information, or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly Information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly

Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereof.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1 on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area #1, including the Improvement Area #1 Improvements, and the Amenities;

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of Improvement Area #1 undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within Improvement Area #1 owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of $1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of development of Improvement Area #1, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1 on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Reporting Party.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 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 acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Improvement, or Amenities in substantially the form attached as Exhibit E (the "Developer Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person's delivery of written acknowledgement of assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations

assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall require that any Person comply with obligations of this Section 5 with respect to any subsequent transfers by such Person to any individual or entity meeting the definition of a "Developer" in the future.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in Improvement Area #1 resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under Section 3 and Section 4(b) hereof, with respect to such acquired real property, until such party's disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder's delivery of written acknowledgement of assumption of the Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or any Significant Homebuilder under this Disclosure Agreement shall terminate upon the earliest of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer or such Significant Homebuilder, including their respective affiliates and/or successors and assigns, no longer owns 12 or more single family residential lots within Improvement Area #1, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer or such

Significant Homebuilder, including their respective Affiliates and/or successors and assigns, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earliest of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own 12 or more single family residential lots within Improvement Area #1, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB for filing, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' notice to the Issuer, the Developer, and the Administrator; provided, however, that if the Dissemination Agent is serving in the same capacity under the Disclosure Agreement of Issuer, the Dissemination Agent shall resign under the Disclosure Agreement of Issuer simultaneously with its resignation hereunder; provided, further, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each of the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof of any change in the identity of the Dissemination Agent. The initial Dissemination

Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc..

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer or any Significant Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Developer or Significant Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, the Developer or the Significant Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided hereunder.

SECTION 12. Default. In the event of a failure of a Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being

indemnified to its satisfaction, the Dissemination Agent shall take such actions as may be necessary and appropriate to cause the Reporting Party and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by a Reporting Party or the Administrator shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by a Reporting Party or the Administrator. Additionally, a default by the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by A Reporting Party and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence, or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of

the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the 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 updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #1, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Parties and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer: Bloomfield Homes, L.P.
1900 W Kirkwood Blvd Ste 2300B
Southlake, Texas 76092

With a copy to: Locke Lord LLP
Attn: Drew Slone
2200 Ross Avenue, Suite 2800
Dallas, Texas 75201
E-mail: dslone@lockelord.com

If to the Dissemination Agent or Trustee:	HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. Attn: _____ _____ _____ Email: _____
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 Oak Point, Texas Attn: City Manager's Office 100 Naylor Road Oak Point, Texas 75068 E-mail: sashley@oakpointtexas.com
If to Participating Underwriter:	FMSbonds, Inc. 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034 E-mail: Tdavenport@fmsbonds.com

SECTION 21. Term of Disclosure Agreement. Except for surviving indemnities of the parties to this Disclosure Agreement, this Disclosure Agreement terminates on the earlier of (i) the first date on which none of the Bonds remain Outstanding, and (ii) the first date on which the reporting obligations of all Reporting Parties have terminated in accordance with the terms of this Disclosure Agreement.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

HTS Continuing Disclosure Services, a division of
Hilltop Securities, Inc.,
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

Bloomfield Homes, L.P., a Texas limited partnership

By: Bloomfield Properties, Inc., a Texas corporation, its General Partner

By: _____
Donald J. Dykstra, its President

P3Works, LLC,
Administrator

By:_____
Name:_____
Title:_____

EXHIBIT A

CITY OF OAK POINT, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 IMPROVEMENT)

DEVELOPER QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
Address:
City:
Telephone:
Contact Person: Attn:

I. Expenditures Paid from Accounts under Indenture

TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #1 IMPROVEMENTS: $_____

Of the budgeted costs for Improvement Area #1 Improvements shown in the Service and Assessment Plan:

1. Actual costs drawn from the Improvement Area #1 Improvements Account: $_____

II. Status of Improvement Area #1 Improvements

Projected/actual completion date of the Improvement Area #1 Improvements

1. [Actual/Expected] date of completion of the Improvement Area #1 Improvements: [_____]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [_____]

III. Unit Mix in Improvement Area #1

Product Type	Number of Units
Single Family 50’	
Single Family 55’	
Single Family 60’	
Single Family 65’	

IV. Lot Status in Improvement Area #1

Of the 241 lots in Improvement Area #1, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 241
2. Planned lots as of the date of this Quarterly Report: _____
3. Lots developed: _____
4. Lots platted: _____
5. Expected completion date of all lots in Improvement Area #1 (if incomplete):
   _____

V. Ownership of Lots/Units in Improvement Area #1

PLANNED LOTS IN IMPROVEMENT AREA #1: 241

Of the 241 lots in Improvement Area #1:

1. Number of lots owned by the Developer: _____
2. Number of lots under contract but not closed to Homebuilder(s): _____
3. Number of lots owned by all Homebuilder(s): _____[1]
   a. Number of lots owned by [*insert name of Homebuilder*]: _____[2]
   b. Number of lots owned by [*insert name of Homebuilder*]: _____
4. Number of units owned by homeowners: _____

VI. Home Sales Information in Improvement Area #1

PLANNED HOMES IN IMPROVEMENT AREA #1: 241

Of the 241 homes planned for Improvement Area #1:

1. How many total building permits were issued **during the current quarter**? _____
   a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[2]
   b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[2]
2. How many total homes have closed with homebuyers **during the current quarter**?
   _____

[1] If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

[2] Include a line item for each individual Homebuilder.

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*]: _____][3]

3. How many total homes have closed with homebuyers **cumulatively**? _____
   a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[3]
   b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[3]

VII. Amenities

TOTAL [EXPECTED/ACTUAL] COSTS OF AMENITIES: $[_____]

Of the $[_____] [expected/actual] costs of the Amenities:

1. Amount spent as of Quarterly Ending Date: $[_____]
2. [Actual/Expected] completion date of Amenities: [_____]

VIII. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?

[3] Include a line item for each individual Homebuilder.

5. **Reserved.**

6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.

7. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer:	City of Oak Point, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Improvement) (the "Bonds")
CUSIP Numbers:	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[4]"] ["Significant Homebuilder"]) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer related to such Bonds, by and among Bloomfield Homes, L.P., a Texas limited partnership (the "Developer"), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent. The [Developer][Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of
Hilltop Securities, Inc.,
on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Oak Point, Texas

[4] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of Oak Point, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Improvement) (the "Bonds")
CUSIP Numbers.	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
_____
_____

City of Oak Point, Texas
120 W. 7th Street
Oak Point, Texas 75409

Bloomfield Homes, L.P.
1050 E. State Highway 114, Suite 210
Southlake, Texas 76092

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that that _____, a _____ (the ["Developer[1]"] ["Significant Homebuilder"]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Bonds, thereby terminating such party's reporting obligations under the Continuing Disclosure Agreement of Developer related to such Bonds, by and among Bloomfield Homes, L.P., a Texas limited partnership (the "Developer"), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent.

Dated: _____

P3Works, LLC
on behalf of the [Developer] [Significant Homebuilder],
as Administrator)

By: _____

Title: _____

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer:	City of Oak Point, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Improvement)
CUSIP Numbers:	[insert CUSIP Numbers]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Chaparral Park Public Improvement District – Improvement Area #1

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among Bloomfield Homes, L.P., a Texas limited partnership [1] (the "Developer"), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a "Significant Homebuilder"], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

Bloomfield Homes, L.P., a Texas limited partnership

By: Bloomfield Properties, Inc., a Texas corporation, its General Partner

By: _____
Donald J. Dykstra, its President

[OR

SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)
By:_____
Title: _____]

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF DEVELOPER REPORTING OBLIGATIONS

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Chaparral Park Public Improvement District – Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Improvements or Amenities (as those terms are defined in the Disclosure Agreement of Developer (as defined herein)) within Improvement Area #1 of the Chaparral Park Public Improvement District (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the "Disclosure Agreement of Developer") by and among Bloomfield Homes, L.P., a Texas limited partnership (the "Developer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. (the "Dissemination Agent"), with respect to the "City of Oak Point, Texas, Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Improvement)," any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 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,

Bloomfield Homes, L.P., a Texas limited partnership

By: Bloomfield Properties, Inc., a Texas corporation, its General Partner

By: _____
Donald J. Dykstra, its President

Acknowledged by:

[INSERT ASSIGNEE NAME]

By:_____
Title:_____

EXHIBIT F

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Chaparral Park Public Improvement District – Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ lots within Improvement Area #1 of Chaparral Park Public Improvement District (the "District"). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer related to the captioned Bonds (the "Disclosure Agreement of Developer") by and among Bloomfield Homes, L.P., a Texas limited partnership (the "Developer"), P3Works, LLC (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. (the "Dissemination Agent"), with respect to the "City of Oak Point, Texas, Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Improvement)," any entity that owns 12 or more of the single family residential lots within Improvement Area #1 of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(b) of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Bloomfield Homes, L.P., a Texas limited partnership

By: Bloomfield Properties, Inc., a Texas corporation, its General Partner

By: _____
Donald J. Dykstra, its President

Acknowledged by:
[INSERT ASSIGNEE NAME]
By:_____
Title:_____

APPENDIX F

DEVELOPMENT AGREEMENT

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FIRST AMENDMENT
TO
DEVELOPMENT AGREEMENT

This **FIRST AMENDMENT TO DEVELOPMENT AGREEMENT** (hereinafter referred to as the "First Amendment") is made and entered into by and between the **CITY OF OAK POINT, TEXAS,** a Texas home-rule municipality (hereinafter referred to as the "City"), and **BLOOMFIELD HOME, L.P.,** a Texas limited partnership:

RECITALS:

WHEREAS, on or about December 21, 2022, the City and Developer entered into the original Development Agreement (hereinafter referred to as the "Original Agreement") regarding the Development of approximately 110.634 acres of land situated in the George W. Daniels Survey, Abstract No. 331, City of Oak Point, Denton County, Texas; and

WHEREAS, the City and Developer now desire to amend ***Exhibit C***, entitled Development Standards of the Original Agreement.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Developer agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this First Amendment and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. AMENDMENT TO ORIGINAL AGREEMENT.

(a) **Amendment to Original Agreement.** That ***Exhibit C***, entitled "Development Standards" of the Original Agreement is hereby amended and is attached hereto as ***Exhibit 1*** of this First Amendment, and is incorporated herein for all purposes.

SECTION 3. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this First Amendment:

(a) **Amendments.** This First Amendment constitutes the entire understanding and agreement of the parties as to the matters set forth in this First Amendment. No alteration of or amendment to this First Amendment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(b) **Applicable Law and Venue.** This First Amendment shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Denton County, Texas. Venue for any action arising under this First Amendment shall lie in the state district courts of Denton County, Texas.

(c) **Assignment.** Neither Party shall have the right to assign its rights and/or obligations under this First Amendment, or any interest herein, without the prior written consent of the other Party.

(d) **Binding Obligation.** This First Amendment shall become a binding obligation on the signatories upon execution by all signatories hereto. City warrants and represents that the individual executing this First Amendment on behalf of the City has full authority to execute this First Amendment and bind the City to the same. Developer warrants and represents that the individual executing this First Amendment on Developer's behalf has full authority to execute this First Amendment and bind it to the same.

(e) **Caption Headings.** Caption headings in this First Amendment are for convenience purposes only and are not to be used to interpret or define the provisions of the First Amendment.

(f) **Counterparts.** This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

(g) **Effective Date.** The effective date (the "Effective Date") of this First Amendment shall be the date of the latter to execute this First Amendment by and between the City and Developer.

(h) **Original Agreement and any Amendments.** All of the terms, conditions, and obligations of the Original Agreement, and any amendments remain in full force and effect except where specifically modified by this First Amendment.

(i) **Severability.** The provisions of this First Amendment are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this First Amendment is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation have the force and effect of the law, the remaining portions of the First Amendment shall be enforced as if the invalid provision had never been included.

(j) **Time is of the Essence.** Time is of the essence in the performance of this First Amendment.

[The Remainder of this Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed.

CITY:

CITY OF OAK POINT, TEXAS,
a Texas home-rule municipality,

By: Dena Meek
Dena Meek, Mayor
Date Signed: 07/07/23

ATTEST:

Joni Vaughn
Joni Vaughn, City Secretary

CITY OF OAK POINT DENTON COUNTY, TEXAS EST. 1976

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the 7 day of July, 2023, by Dena Meek, Mayor of the City of Oak Point, Texas, a Texas home-rule municipality, on behalf of said Texas municipality.

Donna M Boner
Notary Public, State of Texas

NOTARY PUBLIC STATE OF TEXAS
DONNA M. BONER
My Notary ID # 11407934
Expires November 5, 2026

DEVELOPER:

BLOOMFIELD HOMES, L.P.,
a Texas limited partnership

By: Bloomfield Properties, Inc.,
a Texas corporation, its General Partner

By: _____
Donald J. Dykstra, President

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me, on this July 7, 2023, by Donald J. Dykstra, President of Bloomfield Properties, Inc., a Texas corporation, general partner of Bloomfield Homes, L.P., on behalf of said partnership.

[S E A L]

_____
Notary Public, State of Texas

NOTARY PUBLIC STATE OF TEXAS
ADRIAN SULLIVAN
Notary ID #130244190
My Commission Expires
June 22, 2027

Exhibit 1

EXHIBIT C – DEVELOPMENT STANDARDS

Chaparral Park Planned Development

DEVELOPMENT STANDARDS

Chaparral Park Planned Development

All zoning regulations, standards, uses, requirements, and processes for the R4X, District of the City of Oak Point Zoning Ordinance (Ord. No. 2002-04), as it exists or may be amended, shall apply to the Planned Development except as follows:

1. The maximum number of single-family residential units permitted shall be four hundred (400).

2. The following single-family residential lot development standards shall apply:

   a. The minimum lot area shall be 6,000 sq. ft.
   b. The minimum lot width shall be 50 ft. measured along the platted front yard building line.
   c. The minimum lot depth shall be 100 ft., measured at the midpoints of the front and rear lot lines.
   d. The minimum front yard shall be 20 ft.
   e. The minimum side yard shall be 5 ft.
   f. The minimum side yard adjacent to a street shall be 10 ft.
   g. The minimum rear yard shall be 20 ft.
   h. The maximum lot coverage shall be 55%, including main structures and accessory structures.
   i. The minimum dwelling area (air-conditioned) shall be 1,800 sq. ft.
   j. The maximum structure height shall be two and one-half (2-1/2) stories measured at the highest point of the structure, not to exceed forty feet (40').
   k. The following lot development standards shall apply to at least 30% of the single-family residential lots:

      i. The minimum lot area shall be 7,200 sq. ft.
      ii. The minimum lot width shall be 60 ft. measured along the platted front yard building line.
      iii. The minimum lot depth shall be 100 ft., measured at the midpoints of the front and rear lot lines.
      iv. The minimum front yard shall be 20 ft.
      v. The minimum side yard shall be 5 ft.
      vi. The minimum side yard adjacent to a street shall be 10 ft.
      vii. The minimum rear yard shall be 20 ft.
      viii. The maximum lot coverage shall be 55%, including main structures and accessory structures.
      ix. The minimum dwelling area (air-conditioned) shall be 1,800 sq. ft.
      x. The maximum structure height shall be two and one-half (2-1/2) stories measured at the highest point of the structure, not to exceed forty feet (40').

3. General Conditions and Restrictions.

a. A curvilinear street pattern is not required.

b. There shall be no maximum block length requirements.

c. 50' Right of Way will be required on all residential streets. Street pavement will be constructed to a width of 31' B-B with a mountable curb.

d. Sidewalks with a minimum width of four (4) feet are required on both sides of all streets. As referenced in the Exhibit D – Connectivity Plan, all sidewalks adjacent to open space shall be constructed by the developer with the streets prior to final acceptance of the subdivision improvements.

e. The concept plan depicted on Exhibit B – Concept Plan is conceptual and subject to change. Revisions to the plan shall not constitute an amendment of the PD, or require the submittal and approval of a revised plan prior to submittal of a preliminary plat, provided that all restrictions of the PD are adhered to, and provided the revised plan is in accordance with the subdivision rules and regulations unless superseded by the PD or waived by the City Staff, Planning & Zoning Commission, and/or City Council, as applicable.

f. Phasing of the development may occur, provided the subdivision rules and regulations are adhered to unless superseded by the PD or waived by the City Staff, Planning & Zoning Commission, and/or City Council, as applicable.

g. Proposed screening shall be in accordance with Exhibit E – Screening Improvements. 6' Wood screening to be installed around the residential perimeter, 4'-6' tubular steel screening to be installed around the open space & drainage areas, 6' masonry screening along Martop Road and McCormick Road.

h. The minimum width of landscaped open space adjacent to McCormick Road and Martop Road shall be 10 ft. At a minimum, landscaping shall include irrigation and 3- inch caliper trees selected from the "Large/Shade Tree List", as defined by the City of Oak Point Zoning Ordinance Appendix C - Approved Landscape Materials, and crepe myrtles. At a minimum, one Large/Shade Tree and two crepe myrtles shall be required for every fifty (50) linear feet of landscaped open space adjacent to McCormick Road and Martop Road. An existing, healthy tree greater than 3-inch caliper that is preserved, regardless of species or type, shall satisfy the planting requirements for one required tree. The requirements of this section shall satisfy all roadway screening and buffering requirements for McCormick Road and Martop Road.

i. One-half (1/2) of the ultimate right-of-way for McCormick Road one-half being 50 ft. from the centerline of the existing pavement or 100' from the existing and

ultimate ROW line on the opposite side if already established, shall be dedicated adjacent to the planned development boundary at the earlier of adjacent final platting or construction of the roadway (as shown in Exhibit E – Map of Authorized Improvements). Improvements to McCormick shall consist of one-half the ultimate roadway section adjacent to the planned development boundary being two (2) adjacent twelve foot (12') travel lanes of a future four lane median divided roadway. The improvements shall be constructed by the developer concurrently with the development of adjacent phases of the planned development. Alternately, at the City's sole determination, funds may be escrowed by the developer for the later construction of the improvements by others.

j. Setback requirements for any permitted recreation or amenity structures on a lot or open space shall be as follows:

i. Front: 15 ft.
ii. Side: 15 ft.
iii. Rear: 15 ft.

k. At least two (2) trees with a minimum of three (3) caliper inches selected from the Large/Shade Tree List, as defined by the City of Oak Point Zoning Ordinance Appendix C - Approved Landscape Materials, shall be provided on each single-family lot. At least one required tree shall be installed within the front yard. An existing healthy tree(s) of any variety, with a minimum of three (3) caliper inches, shall satisfy the requirement for one required tree(s). All required trees shall be planted within thirty (30) days of home occupancy for each lot.

4. In the areas defined as non-residential on Exhibit B – Concept Plan, the property shall be developed under the regulations of the Neighborhood Commercial (NC) District as outlined in Section V of the Zoning Ordinance No. 2002-04 as is currently exists, or may be amended, and in general compliance with to Ordinance 2022-05-560 subject to the following conditions:

a. Permitted Uses. Permitted uses include the uses permitted in the NC District and the following uses:

* Amusement - inside.
* Antique shop/used furniture.
* Auto parts sales (incidental to the primary use only).
* Bank/credit union/savings and loan (with or without drive thru facilities).
* Beauty shop/barber shop.
* Building material and hardware store.
* Community center.
* Consumer goods repair.
* Convenience store with gas pumps
* Convenience store without gas pumps

* Dance/gymnastics studio.
* Drug store.
* Dry cleaning.
* Flower shop.
* Furniture, home furnishings and appliances.
* Gasoline service station with gas pumps
* Government center/service/office.
* Grocery store/food market
* Health and fitness center.
* Hotel.
* Medical emergency clinic (minor).
* Medical/dental/optical office.
* Medical laboratory.
* Municipal uses operated by the City of Oak Point.
* Museum/art gallery.
* Nursery/garden center (commercial).
* Office, administrative, governmental, medical, professional.
* Office showroom.
* Park, playground, open space, trail(s), recreation center/amenity center, including related uses (i.e. play equipment, swimming pool, tennis court, skate board/roller hockey court, basketball court, volleyball court, etc.) (public and/or private); provided that courts or athletic fields will not be lighted.
* Professional/non-inventory sales/service.
* Print shop.
* Restaurant.
* Restaurant with drive-thru/drive-in service.
* Retail sales/service
* School (public).
* School (private/parochial).
* Studio, instructional/artistic.
* Temporary field construction office.
* Veterinary clinic/kennel with no outside pens.
* Other uses similar to the above listed permitted uses, provided that the Oak Point City Council approves the proposed uses prior to issuance of a building permit.

i. For the purpose of this Planned Development, Office Showroom shall be defined as an establishment with a minimum of seventy-five (75%) percent of its total enclosed floor area devoted to storage and warehousing, but not accessible to the general public. The remaining area may include retail and wholesale sales areas, sales offices, and display areas for products sold and distributed from the storage and warehousing areas.

b. Prohibited Uses. The following uses are prohibited within the areas defined as non-residential on Exhibit B – Concept Plan.

* Residential.
* Automobile and Related Services.
* Manufacturing Storage and Warehousing.
* Feed and Farm Supply.
* Massage Therapy Facility.
* Metal Dealer, Crafted Precious Metal.
* Mortuary or Funeral Home.
* Taxidermist.
* Smoke, Tobacco, Vape, or other smoking-related uses
* Home and Garden Center
* Car Wash
* Church or church offices

c. Commercial/Retail/Office/City Services. If the property is developed with commercial, retail, office and/or city service uses, the development standards are subject the standards of the NC District as outlined in City of Oak Point Zoning Ordinance (Ord. No. 2002-04), as it currently exists or may be amended subject to the following conditions:

i. Minimum lot area shall be ten thousand (10,000) gross square feet; No maximum lot area.
ii. Minimum lot width shall be sixty (60') feet; No maximum lot width.
iii. Minimum lot depth shall be one hundred (100') feet; No maximum lot depth.
iv. Maximum lot coverage shall be fifty (50%) percent.
v. Minimum side yard shall be twenty (20') feet. No side yard shall be required where commercial structures are attached.
vi. Parking shall be permitted in front, rear and side yards, but shall be prohibited in the required thoroughfare landscape buffers.
vii. Maximum building height shall be two (2) stories, not to exceed forty (40') feet.
viii. Maximum Floor Area Ratio shall be 0.45:1.

d. Signage. One (1) individual monument sign may be constructed on each lot containing a building. An individual monument sign shall not exceed sixty (60) square feet in area and shall not be greater than six (6) feet in height. Signs shall be constructed entirely of masonry materials or shall include a one-foot masonry border. Sign height shall be measured from grade to the highest point of the sign and the border shall be included in the measurement of the sign area.

5. Masonry Wall Required

In connection with the development of commercial uses within the Property, a minimum six-foot masonry wall shall be constructed along the boundaries between retail/commercial development and planned or existing single-family development within the Property. In addition, a minimum six-foot masonry wall shall be constructed along the western

boundary of the Property from the Denton ISD property and south to the approximately 2.9 acre detention pond, and a minimum six-foot metal fence along said approximately 2.9 acre detention pond to McCormick Road, as depicted in ***Exhibit C*** of this Agreement. Further, the four (4) single-family residences along the western boundary adjacent to Lot 2, Block A, Burgess Addition, shall be one story or two-story structures with no windows facing to the west on the second floor.

6. Single Family Detached – Architectural Standards.

a. The exterior facades of the main structure shall be constructed of 80% masonry overall excluding windows, doors, dormers, window box-outs, and walls above roof and not less than 75% on any one elevation excluding windows, doors, dormers, window box-outs, and walls above roof. The masonry material is comprised of brick, stone, cast stone, stucco or a combination thereof.

b. Roof slopes for the main structure shall be a minimum of 8:12 except over porches and architectural features. Roof construction shall include opposing roof elements on the front façade and at least one other façade, unless otherwise approved by the City Council upon a recommendation from the Planning & Zoning Commission.

c. All ground level mechanical, heating, ventilation, and air-conditioning equipment shall be screened from view from an adjacent street with landscaping or a fence that is at least six feet tall.

d. Garages required. A two-car garage is required for each residential unit with an interior clear minimum width of 18 feet and clear minimum depth from the overhead garage door of 20 feet.

e. Front doors shall be at least 8 feet tall.

f. Each unit shall include at least three of the following architectural elements:

i. 100 percent of each wall is finished with a masonry material exclusive of doors, windows, porches, chimneys, and walls provided in conjunction with an architectural element above the roofline (example: walls for dormers);

ii. The front façade contains two types of complementary masonry finishing materials, with each of the materials being used on at least 25 percent of the front façade;

iii. A minimum of 10 percent of the unit's front façade features patterned brickwork, excluding soldier or sailor brickwork provided in association with a door or window;

iv. Cedar garage door or carriage style garage doors. Carriage style garage door typically feature vertical slats, high windows, antiqued hardware, and additional detailing to give the appearance of swinging or sliding door;

v. A minimum of three offsets in the front façade measuring at least one foot deep are provided or a minimum of one offset in the front façade measuring at least three feet is provided;

vi. The unit features an articulated front entrance through the use of lintels, pediments, keystones, pilasters, arches, columns, or other similar architectural elements;

vii. A combined covered front porch and / or back patio which is at least 100 square feet in area is provided;

viii. At least one dormer or gable is provided. The dormer or gable must be appropriately scaled for the roof plane;

ix. Roof pitch at 10:12 side to side is incorporated into the front of the house;

x. At least 50% of the windows facing a street feature shutters which must be in scale with the corresponding window;

xi. A minimum of 2 coach lights on the front façade

xii. A minimum of 2.5 car garage

xiii. Other innovative designs as may be requested by an applicant and approved by staff, or in staff's discretion or denial forwarded to the Planning and Zoning Commission for consideration, and if denied by the Planning and Zoning Commission, then appealed to the City Council. Such designs shall not have an adverse impact on current or future development, shall be in keeping with spirit of the purpose of this section, shall not reduce the quality of the development, and shall not have an adverse impact on the public health, safety and general welfare. Such applications and approvals shall not constitute a zoning amendment.

7. Non-Residential Architectural Standards

a. All structures shall have similar architectural style, materials, and colors.

b. All structures shall be constructed of masonry as the primary construction material. Masonry shall consist of brick, stone, or similar masonry unit-type materials, or a minimum of one (1") inch thick stucco construction. Secondary materials may be used to accent primary materials with the following limits on

any one façade:

c. Aluminum, or other metals maximum of ten (10%) percent.

d. Stucco or cement siding maximum of twenty (20%) percent.

e. Tinted or split face Concrete Masonry Unit (CMU) maximum of fifteen (15%) percent.

f. Exterior insulation and Finish Systems (EIFS) or similar maximum of twenty (20%) percent if approved by the City Council upon a recommendation from the Planning & Zoning Commission at time of site plan, platting and/or Detailed Site Plan approval.

g. The non-residential development within the Property shall comply with the Non-Residential Construction and Architectural Standards set forth in the City Zoning ordinance. All non-residential architectural design standards must be approved by the City Council.

CHAPARRAL PARK DEVELOPMENT AGREEMENT

This Chaparral Park Development Agreement (this "Agreement") is entered into by and between the City of Oak Point, Texas, a home rule municipality (the "City"), and Bloomfield Homes, L.P., a Texas limited partnership ("Developer") (each individually, a "Party," and collectively, the "Parties"), to be effective on the Effective Date.

SECTION 1
RECITALS

WHEREAS, certain capitalized terms used in these recitals are defined in Section 2;

WHEREAS, Developer is under contract for, and expects to own approximately 110.5 acres of real property, described by metes and bounds in **Exhibit A** and depicted on the Concept Plan in **Exhibit B** (the "Property");

WHEREAS, as generally described and depicted on the Concept Plan, Developer intends to develop the Property as a single-family residential community with lots of various sizes over multiple phases and is to be known and referred as Chaparral Park (the "Project") and develop the remaining developable portion of the Property for certain retail and commercial uses;

WHEREAS, the Developer and the City intend for the Mustang Special Utility District ("MSUD") to provide water and sewer service to the Property;

WHEREAS, the Property is currently owned by Denton Independent School District ("DISD") and DISD, the City and Denton County Municipal Utility District No. 5 ("Denton MUD No. 5") have entered into that certain Cost Sharing Agreement dated August 24, 2021 (the "Cost Sharing Agreement") pursuant to which the City, DISD and Denton MUD No. 5 have agreed to share the cost of expansion and redesign of MarTop Road as further described in the Cost Sharing Agreement (the "MarTop Road Project") and the Developer intends to assume DISD's obligations under the Cost Sharing Agreement related to the MarTop Road Project;

WHEREAS, Developer anticipates commencing development of the Project upon: (i) the execution of this Agreement, (ii) the submission and approval of a concept plan for the Property that is substantially consistent with the Concept Plan attached as **Exhibit B**, and (iii) creation of the PID by the City;

WHEREAS, the Parties desire and intend that Developer will design, construct, install, and/or make financial contributions toward the Authorized Improvements, and that Developer's costs incurred therewith will be financed or reimbursed through PID Bond Proceeds;

WHEREAS, the Parties desire and intend for the design, construction, and installation of the Authorized Improvements to occur in a phased manner over the Term of this Agreement and that Developer will dedicate to and the City will accept the Authorized Improvements for public use and maintenance, subject to the City's approval of the plans and inspection of the Authorized Improvements in accordance with this Agreement and the City Regulations;

WHEREAS, in consideration of Developer's agreements contained herein and upon the creation of the PID, the City intends to exercise its powers under the PID Act to provide financing arrangements that will enable Developer, in accordance with the procedures and requirements of the PID Act and this Agreement, to: (a) be reimbursed for all or a portion of the PID Projects using the PID Bond Proceeds; or (b) be reimbursed for all or a portion of the PID Projects, the source of which reimbursement will be installment payments from Assessments on the Property, provided that such reimbursements shall be subordinate to the payment of PID Bonds, Administrative Expenses, and any amounts owed to the City by Developer in connection with the PID;

WHEREAS, the City, subject to the consent and approval of the City Council, the satisfaction of all conditions for PID Bond issuance, Developer's substantial compliance with this Agreement, and in accordance with the terms of this Agreement and all legal requirements, including but not limited to the Indenture, shall use good faith efforts to: (i) adopt a Service and Assessment Plan; (ii) adopt one or more Assessment Ordinances (to reimburse Developer for all or a portion of the PID Projects Costs and the costs associated with the administration of the PID and/or the issuance of the PID Bonds, and for repayment of PID Bonds); and (iii) issue, in multiple series, PID Bonds for the purpose of financing the PID Projects in accordance with the Service and Assessment Plan and reimbursing the Developer for certain associated costs as described herein;

WHEREAS, to the extent funds must be advanced to pay for any costs associated with the creation of the PID, the issuance of PID Bonds, or the preparation of documentation related thereto, including any costs incurred by the City and its consultants and advisors (excluding the fees associated with closing the PID Bonds), the Developer shall be responsible for advancing such funds, shall, to the extent permitted by applicable law, have a right to reimbursement for certain funds advanced from PID Bond Proceeds or Assessments, and the City will not be responsible for such reimbursement or the payment of such costs from any other sources of funds;

WHEREAS, unless expressly set forth to the contrary in this Agreement, the Parties intend this Agreement to supersede City Regulations only to the extent that City Regulations directly conflict with the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

SECTION 2
DEFINITIONS

Certain terms used in this Agreement are defined in this Section 2. Other terms used in this Agreement are defined in the recitals or in other sections of this Agreement. Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

Administrative Expenses means reasonable expenses incurred by the City and Developer in the establishment, administration, and operation of the PID and levying and collecting assessments and payment of any PID Bonds.

Administrator means an employee, consultant, or designee of the City who shall have the responsibilities provided in the Service and Assessment Plan, an Indenture, or any other agreement

or document approved by the City related to the duties and responsibilities for the administration of the PID.

Amenity Center means an amenity center for the Property which shall include a pool, restrooms, and playground equipment.

Assessment(s) means the special assessments levied on the Property on a phase-by-phase basis, under one or more Assessment Ordinances adopted on a phase-by-phase basis to reimburse Developer for a portion of the PID Projects benefitting the applicable phase(s) as set forth in the Service and Assessment Plan, as well as payment of Administrative Expenses and repayment of the PID Bonds and the costs associated with the issuance of the PID Bonds.

Assessment Ordinance means an ordinance approved by the City Council under the PID Act establishing one or more Assessment(s).

Authorized Improvements means the PID Projects and all other on-site and off-site public water, sewer, drainage, and roadway facilities, rights-of-way, along with other public improvements, such as landscaping and screening, that benefit the Property, are to be constructed by Developer, are identified on **Exhibit D**, and for which the Parties intend Developer will be fully or partially reimbursed pursuant to the terms of this Agreement.

Authorized Improvements Cost means the actual costs of design, engineering, construction, acquisition, and inspection of the Authorized Improvements and all costs related in any manner to the Authorized Improvements.

Bond Ordinance means an ordinance adopted by the City Council that authorizes and approves the issuance and sale of the PID Bonds.

Budgeted Cost means, with respect to any given Authorized Improvement, the estimated cost of the improvement as set forth by phase in **Exhibit D**.

Chapter 245 means Chapter 245, Texas Local Government Code.

City Code means the Code of Ordinances, City of Oak Point, Texas.

City Council means the governing body of the City.

City Manager means the current or acting City Manager of the City, or a person designated to act on behalf of that individual if the designation is in writing and signed by the current or acting City Manager.

City Regulations means the City's applicable development regulations in effect on the Effective Date, including without limitation City Code provisions, ordinances (including, without limitation, park dedication fees), design standards (including, without limitation, pavement thickness), and other policies duly adopted by the City; provided, however, that as it relates to Public Infrastructure for any given phase of the Project, the applicable construction standards (including, without limitation, uniform building codes) shall be those that the City has duly adopted at the time of the filing of an application for a preliminary plat for that phase unless

construction has not commenced within two (2) years of approval of such preliminary plat in which case the construction standards shall be those that the City has duly adopted at the time that construction commences.

Concept Plan means the intended conceptual plan for the development of the Property as depicted on **Exhibit B**.

Developer Continuing Disclosure Agreement means any continuing disclosure agreement of Developer executed contemporaneously with the issuance and sale of PID Bonds.

Development Standards means the design specifications and construction standards permitted or imposed by this Agreement, including without limitation the standards set forth in **Exhibit C** and applicable City Regulations.

Effective Date means the effective date of this Agreement, which shall be the date upon which all Parties have fully executed and delivered this Agreement and the City's legal counsel has signed this Agreement, approving same as to form.

End User means any tenant, user, or owner of a Fully Developed and Improved Lot, but excluding the HOA.

Fully Developed and Improved Lot means any privately-owned lot in the Project, regardless of proposed use, intended to be served by the Authorized Improvements and for which a final plat has been approved by the City and recorded in the Real Property Records.

HOA means the Chaparral Park homeowners association formed with respect to the Project, which shall privately function as a homeowners association for the Project, or such similar name as may be available with Texas Secretary of State, and its successors.

Home Buyer Disclosure Program means the disclosure provisions relating to property located in public improvement districts set forth in Chapter 5 of the Texas Property Code, which establish a mechanism to disclose to each End User the terms and conditions under which their lot is burdened by Assessments.

Improvement Account of the Project Fund ("IAPF") means the construction fund account created under the Indenture, funded by the PID Bond Proceeds, and used to pay or reimburse for certain portions of the construction or acquisition of the PID Projects.

Indenture means a trust indenture by and between the City and a trustee bank under which PID Bonds are issued and funds are held and disbursed.

Mayor means the Mayor of the City.

Non-Benefited Property means parcels or lots that accrue no special benefit from the PID Projects, including but not limited to property encumbered with a public utility easement that restricts the use of such property to such easement.

Notice means any notice required or contemplated by this Agreement (or otherwise given in connection with this Agreement).

PID means the "Chaparral Park Public Improvement District" for which the City agrees to exert good faith efforts to create for the benefit of the Project pursuant to the PID Act and this Agreement.

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

PID Bonds means assessment revenue bonds, but not Refunding Bonds, issued by the City pursuant to the PID Act to finance the PID Projects.

PID Bond Proceeds means the funds generated from the sale of the PID Bonds.

PID Documents means, collectively, the PID Resolution, the SAP, and the Assessment Ordinance(s).

PID Projects means all water, wastewater/sewer, drainage, roadway, rights-of-way and other improvements allowable under the PID Act and benefitting and necessary to serve the Project, identified in the PID Documents and outlined in **Exhibit D**.

PID Projects Cost means the actual cost of design, engineering, construction, acquisition, and/or inspection of the PID Projects, along with Administrative Expenses associated with the PID and allowed by law.

PID Reimbursement Agreement means an agreement by and between the City and Developer by which the Parties establish the terms by which Developer may obtain reimbursements for PID Projects through the PID Bond Proceeds or Assessments.

PID Resolution means the resolution and improvement order adopted by the Council creating the PID pursuant to Section 372.010 of the PID Act and approving the advisability of the Authorized Improvements.

Public Infrastructure means all water, wastewater/sewer, detention and drainage, roadway, park, and other infrastructure necessary to serve the full development of the Project and/or to be constructed and dedicated to the City under this Agreement. The term includes the PID Projects.

Real Property Records means the official land recordings of the Denton County Clerk's Office.

Refunding Bonds means bonds issued pursuant to Section 372.027 of the PID Act.

Reimbursement Agreement means a reimbursement or similar agreement between the City and the Developer.

Service and Assessment Plan ("SAP") means the SAP for the PID, to be adopted and amended annually, if needed, by the City Council pursuant to the PID Act for the purpose of

assessing allocated costs against portions of the Project located within the boundaries of the PID having terms, provisions, and findings approved by the City, as required by this Agreement.

SECTION 3
PUBLIC IMPROVEMENT DISTRICT

3.1 Creation of the PID; Levy of Assessments. The City shall use good faith efforts and legislative discretion to initiate and approve all necessary documents, resolutions, and ordinances, including without limitation the PID Documents, required to effectuate this Agreement, to create the PID over the portion of the Property to be used for single-family homes, and to levy the Assessments. The Assessments shall be levied: (i) on a phase-by-phase basis against the applicable phase(s) benefitted by the applicable portion of the PID Projects for which the applicable series of the PID Bonds are issued, and (ii) prior to the sale of any lot to an End User. Upon approval of the creation of the PID, the City shall select an SAP consultant and the City will approve the SAP, which shall include the PID Projects and provide for the levy of the Assessments on the Property. Promptly following preparation and approval of a preliminary SAP acceptable to the Parties and subject to the City Council making findings that the PID Projects confer a special benefit on the Property, the City Council shall consider an Assessment Ordinance and the approval of a final SAP.

3.2 Home Buyer Disclosure Program. The Developer agrees to comply with the Home Buyer Disclosure Program as provided in Chapter 5 of the Texas Property Code.

3.3 Financing. PID Projects may be financed by the Developer and such costs may be reimbursed through a PID Reimbursement Agreement authorized by the PID Act, including interest at the rates allowed by the PID Act, solely from PID Assessments levied by the City against property within the PID. PID Projects may also be financed from the net proceeds of PID Bonds issued by the City and secured solely by PID Assessments levied by the City against property within the PID. The City will use its reasonable efforts to issue one or more series of PID Bonds secured, in whole or in part, by assessments levied against benefited property within the PID.

3.4 Administrative Costs. All costs and expenses paid or incurred by the City in connection with the creation, existence, and operation of the PID will be paid: (i) by the Developer; (ii) from Assessments levied and collected by the City against property within the PID; or (iii) from the proceeds of PID Bonds. If the City pays or incurs such costs or expenses before Assessments are levied and collected and before PID Bonds are issued, the Developer shall reimburse the City for such costs and expenses through a Professional Services Deposit and Reimbursement Agreement approved by the Parties. If the City issues PID Bonds, then: (1) all third-party expenses paid or incurred by the City as ordinary costs and customary costs of issuance shall be paid from the gross proceeds of such PID Bonds, and (2) an amount equal to five percent (5%) of the levy to fund the costs of the PID Projects, which shall be paid by the Developer to the City (the "City Payment") for the time and effort expended by the City employees in connection with the creation, preparation, approval of the PID and the Assessment levy. The Developer shall make the City Payment within three (3) business days of approval of the first certification of costs for the respective improvement areas or Phases for which the levy is put in place.

3.5 Bonds. PID Bonds shall be issued by the City in accordance with the requirements of applicable state law including, but not limited to, the PID Act, and shall be approved by the Texas Attorney General. The terms and conditions of PID Bonds shall be approved by the City; provided, however, the maturity of the PID Bonds shall be comparable to the maturity of similar bonds then being issued in the north Texas area by other public improvement districts, municipal utility districts, fresh water supply districts, or water control and improvement districts that are constructing or acquiring improvements that are similar to the PID Projects. PID Bonds shall be secured solely by Assessments levied by the City against property within the PID.

3.6 Use of Assessments and Bond Proceeds. The City shall deposit all Assessments collected by the City and the net proceeds of all PID Bond issues into separate accounts with an independent financial institution selected by the City (each, a "PID Account") or as provided in an indenture of trust related to a series of PID Bonds. Funds in a PID Account shall only be disbursed to: (i) reimburse the Developer under one or more Reimbursement Agreements for the cost of PID Projects; (ii) pay debt service on PID Bonds (whether issued to refund Reimbursement Agreements or finance PID Projects); and/or (iii) any other purposes authorized under the related indenture of trust and as permitted by the PID Act. The Developer may act as the construction manager for the PID Projects. For the avoidance of doubt, PID Bonds may be issued to fund up front construction of the PID Projects or refund a Reimbursement Agreement.

3.7 City Approvals. The City Council has the right, in the exercise of its governmental discretion and legislative authority, to approve the creation of the PID and PID funding of the PID Projects. The City has the further right, in the exercise of its governmental discretion and legislative authority, to levy Assessments against property in the PID to finance or pay for the foregoing including, but not limited to, the terms and conditions of any Reimbursement Agreement and the terms and conditions upon which Bonds are issued by the City and net proceeds disbursed (either to refund Reimbursement Agreements or otherwise finance PID Projects).

3.8 PID Notice. When selling any of the Property after the PID is created, the Developer shall provide notice to anyone who purchases property within the PID in the form and manner required by the Texas Property Code, as amended, including specifically Sections 5.014, 5.0141, 5.0142, and 5.0143.

SECTION 4
AUTHORIZED IMPROVEMENTS

4.1 Authorized Improvements. The Authorized Improvements and Authorized Improvements Cost are subject to change as may be agreed upon by Developer and the City and, if changed, shall be updated by the Developer and the City consistent with the Service and Assessment Plan and the PID Act. All approved final plats within the Project shall include those Authorized Improvements located therein and the respective Authorized Improvements Cost shall be finalized at the time the applicable final plat is approved by the City Council. The Developer shall include any updated Budgeted Cost(s) with each final plat application that shall be submitted to the City Council for consideration and approval concurrently with the submission of each final plat. Upon approval by the City Council of any such updated Budgeted Cost(s), this Agreement shall be deemed amended to include such approved updated Budgeted Cost(s) in **Exhibit D**. The Budgeted Cost, Authorized Improvements Cost, and the timetable for installation of the

Authorized Improvements will be reviewed at least annually by the Parties in an annual update of the Service and Assessment Plan adopted and approved by the City.

4.2 Construction, Ownership, and Transfer of Authorized Improvements.

(a) Contract Specifications. Developer's engineers shall prepare, or cause the preparation of, and provide the City with contract specifications and necessary related documents for the Authorized Improvements.

(b) Construction Standards, Inspections and Fees. Except as otherwise expressly set forth in this Agreement, the Authorized Improvements and all other Public Infrastructure required for the development of the Property shall be constructed and inspected, and all applicable fees, including but not limited to permit fees, and inspection fees, shall be paid by Developer, in accordance with this Agreement, the City Regulations, and any other governing body or entity with jurisdiction over the Authorized Improvements.

(c) Contract Letting. The Parties understand that construction of the Authorized Improvements to be funded through Assessments are legally exempt from competitive bidding requirements pursuant to Section 252.022(a)(9) of the Texas Local Government Code. As of the Effective Date, the construction contracts for the construction of Authorized Improvements have not been awarded and contract prices have not yet been determined. Before entering into any construction contract for the construction of all or any part of the Authorized Improvements, Developer's engineers shall prepare, or cause the preparation of, and submit to the City all contract specifications and necessary related documents, including the contract proposal showing the negotiated total contract price and scope of work, for the construction of any portion of the Authorized Improvements that have not been awarded.

(d) Ownership. All of the Authorized Improvements and Public Infrastructure, other than water and sewer infrastructure referred to in Sections 4.4 and 4.5 hereof which shall be owned by MSUD upon acceptance thereof by MSUD, shall be owned by the City upon acceptance of them by the City. Developer agrees to take any action reasonably required by the City to transfer, convey, or otherwise dedicate or ensure the dedication of land, right-of-way, or easements for the Authorized Improvements and Public Infrastructure to the City or MSUD, as applicable, for public use. PID Bond Proceeds and/or the proceeds from Assessments will be used in part to reimburse Developer for PID Projects Cost related to the PID Projects and, in the event PID Bond Proceeds and/or proceeds from Assessments are not available at the time that all or a portion of the PID Projects are substantially complete and the City is ready to accept said PID Projects or portion thereof, PID Bond Proceeds and/or proceeds from Assessments, once available, will be used to reimburse Developer in accordance with this Agreement and as otherwise agreed to by the Parties for said PID Projects Cost following acceptance by the City or MSUD, as applicable.

(e) Administration of Construction of Public Infrastructure. Subject to the terms of this Agreement, the Parties agree that Developer will be solely responsible to construct all Public Infrastructure.

4.3 Operation and Maintenance.

(a) Upon inspection, approval, and acceptance of the water and sewer Authorized Improvements or any portion thereof, MSUD shall maintain and operate the accepted public infrastructure and provide retail water and sewer service to the Property.

(b) Upon inspection, approval, and acceptance of the roadway Authorized Improvements required under this Agreement or any portion thereof, the City shall maintain and operate the public roadways and related drainage improvements.

(c) The HOA shall maintain and operate any open spaces, detention ponds, common areas, landscaping, screening walls, development signage, the Amenity Center and any other common improvements or appurtenances within the Property that are not maintained or operated by the City or MSUD, including without limitation such facilities described in this subsection 4.3(c) financed by the PID.

4.4 Water Facilities.

(a) Developer's General Obligations. Developer is responsible for design, installation, and construction of all water improvements necessary to serve the Property, as generally depicted in **Exhibit E**. The design of water improvements shall be approved by MSUD in advance of the construction of same. Developer shall be responsible for the acquisition of any easements and other property acquisitions necessary for water facilities (the size and extent of each such easement or other property interest to be approved by MSUD) for all development upon and within the Property. The costs of obtaining such easements may be included in the applicable Authorized Improvement Costs to be reimbursed to the Developer through the PID.

(b) Timing of General Obligations. Except as otherwise provided herein, Developer shall complete in a good and workmanlike manner all water improvements necessary to serve each phase of development on the Property prior to the recordation of the final plat covering such phase.

4.5 Wastewater/Sanitary Sewer Facilities.

(a) Developer's General Obligations. Developer is responsible for the design, installation, and construction of all wastewater/sanitary sewer improvements necessary to serve the Property, as generally depicted in **Exhibit E**. The design of all wastewater/sanitary sewer improvements shall be approved by MSUD in advance of the construction of same. Developer shall be responsible for the acquisition of any easements and other property acquisitions necessary for wastewater/sewer facilities (the size and extent of each such easement or other property interest to be approved by MSUD) for all development upon and within the Property. The costs of obtaining such easements may be included in the applicable Authorized Improvement Costs to be reimbursed to the Developer through the PID.

(b) Timing of General Obligations. Except as otherwise provided herein, Developer shall complete in a good and workmanlike manner all wastewater/sanitary sewer improvements necessary to serve each phase of development on the Property prior to the recordation of the final plat covering such phase.

4.6 Water and Wastewater Services.

(a) MSUD shall be solely responsible for providing water and wastewater services needed to serve the Project and the Property.

(b) The City shall enter into an interlocal agreement with MSUD relating to its acquisition of the water and sewer improvements to service the Property to provide for the financing of such water and sewer improvements through the PID (the "Interlocal Agreement"). Such Interlocal Agreement shall provide that, upon acceptance by MSUD of the water and wastewater facilities described herein (i) MSUD shall operate or cause to be operated said water and wastewater facilities serving the Property and use them to provide service to all customers within the Property and (ii) MSUD shall at all times maintain said water and wastewater facilities, or cause the same to be maintained, in good condition and working order in compliance with all applicable laws and ordinances and all applicable regulations, rules, policies, standards, and orders of any governmental entity with jurisdiction over same.

4.7 Roadway Facilities and Drainage Improvements.

(a) Developer's General Obligations. Developer is responsible for the design, installation, and construction of all roadway facilities and related improvements required to serve the Property, as generally depicted in **Exhibit E**. The design of all roadway facilities and related improvements shall be approved by the City in advance of the construction of same. Upon inspection, approval and acceptance thereof, City shall maintain and operate the roadway facilities and related improvements for the Property.

(b) Drainage/Detention Infrastructure. Developer shall have full responsibility for designing, installing, and constructing the drainage/detention improvements that will serve the Property and the cost thereof. Developer agrees to perform or cause to be performed a drainage study during the engineering of the first phase of development of the Property and to comply with the recommendations therein. Upon inspection, approval and acceptance thereof, City shall maintain and operate the drainage/detention improvements for the Property.

(c) Timing of General Obligations. Prior to the recordation of any final plat for any phase of development on the Property, Developer shall complete, in a good and workmanlike manner, construction of all roadway facilities and related improvements and drainage/detention improvements necessary to serve such phase necessary to serve such phase in accordance with construction plans approved by the City. Thereafter, the roadway facilities and related improvements and drainage/detention improvements shall be conveyed to the City for ownership and maintenance.

4.8 Screening, Landscaping, and Entryways. Within 180 days after the recordation of the final plat for any phase of development on the Property, Developer shall construct, in a good and workmanlike manner, standard screening in accordance the City Regulations along all perimeter roadways.

SECTION 5
ADDITIONAL OBLIGATIONS AND AGREEMENTS

5.1 Amenity Center. The Developer shall construct the Amenity Center, which shall be dedicated to and maintained by the HOA. Construction of the Amenity Center shall begin after substantial completion of the first phase of the Development.

5.2 Parkland Dedication. As established in Subdivision Ordinance Section 10.03.132 – Park land dedication, cash in lieu of land dedication shall be due for development of the Property. The payment shall be paid at time of building permit at the lawfully adopted rate that is uniformly applied within the City's corporate limits, as amended. No other park land dedication, cash in lieu of dedication, or park fee requirements apply.

5.3 MarTop Road Project. Upon closing of the Property or as soon as is practicable, the Developer will assume DISD's obligations related to cost-sharing for the MarTop Road Project pursuant to the Cost Sharing Agreement. The City shall work with DISD and Denton MUD No. 5 to facilitate the execution of any necessary amendments, assignments or other documents necessary to effect the Developer's assumption of DISD's obligations under the Cost Sharing Agreement.

5.4 Commercial Section Masonry Wall. In connection with the development of commercial uses within the Property, a minimum six-foot masonry wall shall be constructed along the boundaries between retail/commercial development and planned or existing single-family development within the Property.

5.5 Mandatory Homeowners Association. The Developer will, in a manner acceptable to the City, create the HOA, which shall be mandatory and shall levy and collect from homeowners annual fees in an amount calculated to maintain any private improvements (including without limitation any common areas), and other HOA-owned improvements within the Project and improvements designated as being HOA maintained in the Project. Common areas, including, but not limited to, all landscaped entrances to the Project and right-of-way landscaping and signage, shall be maintained solely by the HOA. Maintenance of public rights-of-way by the HOA shall comply with City Regulations. To the extent allowed by law, the covenants, conditions and restrictions for the HOA shall include a provision that any residential home must be owned at a minimum for at least one (1) year before it may be used as a rental property, excluding property owned by an owner deployed in the United States Armed Forces.

5.6 Zoning. The City acknowledges that an application to zone the Property as a planned development district will be submitted and the City shall consider planned development zoning for the Property consistent with the Development Standards, the Concept Plan, and applicable provisions of this Agreement (the "PD Zoning"). The City retains its legislative discretion to approve any zoning for the Property. Nothing in this Agreement and this Section 5.5 shall be interpreted as a contract for zoning. Through this Agreement, Developer expressly consents and agrees to the PD Zoning of the Property. Any such zoning of the Property shall otherwise be in accordance with all procedures set forth in the applicable City Regulations. Should the City fail to approve the PD Zoning, or approve zoning on the Property that is in any

way more restrictive than the PD Zoning without Developer consent, Developer shall have the right to terminate this Agreement with notice to the City.

5.7 Eminent Domain. Developer agrees to use commercially reasonable efforts to obtain all third-party rights-of-way, consents, or easements, if any, required for the Public Infrastructure. If, however, Developer is unable to obtain such third-party rights-of-way, consents, or easements within ninety (90) days of commencing efforts to obtain the needed easements and right-of-way, the City agrees to take reasonable steps to secure same (subject to City Council authorization after a finding of public necessity) through the use of the City's power of eminent domain. Developer shall be responsible for funding all reasonable and necessary legal proceeding/litigation costs, attorney's fees and related expenses, and appraiser and expert witness fees (collectively, "Eminent Domain Fees") actually incurred by the City in the exercise of its eminent domain powers that for any reason are not funded by the PID Bond Proceeds and shall escrow with a mutually agreed upon escrow agent the City's reasonably estimated Eminent Domain Fees both in advance of the initiation of each eminent domain proceeding and as funds are needed by the City. Provided that the escrow fund remains appropriately funded in accordance with this Agreement, the City will use all reasonable efforts to expedite such condemnation procedures so that the Public Infrastructure can be constructed as soon as reasonably practicable. If the City's Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, Developer shall deposit additional funds as requested by the City into the escrow account within ten (10) days after written notice from the City. Any unused escrow funds will be refunded to Developer within thirty (30) days after any condemnation award or settlement becomes final and non-appealable. Nothing in this section is intended to constitute a delegation of the police powers or governmental authority of the City, and the City reserves the right, at all times, to control its proceedings in eminent domain.

5.8 Conflicts. In the event of any direct conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, order, guideline, or other City adopted or City enforced requirement, whether existing on the Effective Date or thereafter adopted, this Agreement, including its exhibits, as applicable, shall control. In the event of a conflict between the Concept Plan and the Development Standards, the Development Standards shall control to the extent of the conflict.

5.9 Compliance with City Regulations. Development and use of the Property, including, without limitation, the construction, installation, maintenance, repair, and replacement of all buildings and all other improvements and facilities of any kind whatsoever on and within the Property, shall be in compliance with City Regulations unless expressly stated to the contrary in this Agreement. City Regulations shall apply to the development and use of the Property unless expressly set forth to the contrary in this Agreement.

5.10 Phasing. The Property may be developed in phases and Developer may submit a replat or amending plat for all or any portions of the Property in accordance with applicable law. Any replat or amending plat shall conform with applicable City Regulations and is subject to City approval.

5.11 Public Infrastructure, Generally.

(a) Public Infrastructure. Except as otherwise expressly provided for in this Agreement, Developer shall provide all Public Infrastructure necessary to serve the Project, including streets, utilities, drainage, sidewalks, street lighting, street signage, and all other required improvements, at no cost to the City or MSUD except as expressly provided in this Agreement or the PID Reimbursement Agreement, and as approved by the City's engineer or his or her agent. Developer shall cause the installation of the Public Infrastructure within all applicable time frames in accordance with the City Regulations and any regulations promulgated by MSUD unless otherwise established in this Agreement. Developer shall provide engineering studies, plan/profile sheets, and other construction documents for any Public Infrastructure to be accepted by the City at the time of platting as required by City Regulations. Such plans for Public Infrastructure to be accepted by the City shall be approved by the City's engineer or his or her agent prior to approval of a final plat.

(b) Temporary Street Closures. To the extent reasonably requested by the Developer in connection with the construction of the Public Infrastructure and to the extent it is lawfully within the City's authority, the City shall grant and issue to the Developer all necessary permits to authorize temporary closures of, and shall grant and issue to the Developer all necessary permits to make cuts or other perforations in, demolish and excavate all or portions of any street, alley or other public right-of-way that is under reasonable control of the City and that is contained in whole or in part within the Property or that abuts any portion of the Property; provided however, all such actions are subject to the City's obligations to preserve and protect public health, safety, and welfare.

5.12 Maintenance Bonds. For each construction contract for any part of the Public Infrastructure, Developer, or Developer's contractor, must execute a maintenance bond in accordance with applicable City Regulations that guarantees the costs of any repairs that may become necessary to any part of the construction work performed in connection with the Public Infrastructure, arising from defective workmanship or materials used therein, for a full period of two (2) years from the date of final acceptance of the Public Infrastructure constructed under such contract.

5.13 Inspections, Acceptance of Public Infrastructure, and Developer's Remedy.

(a) Inspections, Generally. The City shall have the right to inspect, at any time, the construction of all Public Infrastructure necessary to support the Project to be accepted by the City, including drainage, roads, streets, alleys, park facilities, electrical, and street lights and signs. The City's inspections and/or approvals shall not release Developer from its responsibility to construct, or cause the construction of, adequate Authorized Improvements and Public Infrastructure in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property.

(b) Acceptance; Ownership. From and after the inspection and acceptance by the City of the Public Infrastructure to be owned by the City pursuant to this Agreement and any other dedications required under this Agreement, such improvements and dedications shall be owned by the City.

(c) Approval of Plats/Plans; Building Permits. Approval by the City, the City's engineer, or other City employee or representative, of any plans, designs, or specifications submitted by Developer pursuant to this Agreement or pursuant to applicable City Regulations shall not constitute or be deemed to be a release of the responsibility and liability of Developer, his engineer, employees, officers, or agents for the accuracy and competency of their design and specifications. Further, any such approvals shall not be deemed to be an assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by Developer or Developer's engineer, or engineer's officers, agents, servants or employees, it being the intent of the parties that approval by the City's engineer signifies the City's approval on only the general design concept of the improvements to be constructed. In accordance with Chapter 245, all development related permits issued for the Project, including the Concept Plan, shall remain valid for a period of at least two (2) years and shall not thereafter expire so long as progress has been made toward completion of the Project. Upon recordation of the final plat for the first phase of the Project, the Concept Plan shall remain valid for the duration of this Agreement or as long as progress toward completion of the Project is being made, whichever is longer.

Notwithstanding anything contained in the City Regulations, up to ten (10) building permit applications and approvals for each phase in the Development shall be allowed for homes on the Property upon substantial completion of paving improvements and operation of the water system for basic fire protection. No Certificate of Occupancy will be issued by the City, until such time as the subdivision improvements have been accepted by the City, and the maintenance bonds for the public improvements have been issued.

5.14 Insurance. Developer or its contractor(s) shall acquire and maintain, during the period of time when any of the Public Infrastructure is under construction (and until the full and final completion of the Public Infrastructure and acceptance thereof by the City): (a) workers compensation insurance in the amount required by law; and (b) commercial general liability insurance including personal injury liability, premises operations liability, and contractual liability, covering, but not limited to, the liability assumed under any indemnification provisions of this Agreement, with limits of liability for bodily injury, death and property damage of not less than $1,000,000.00. Such insurance shall also cover any and all claims which might arise out of the Public Infrastructure construction contracts, whether by Developer, a contractor, subcontractor, material man, or otherwise. Coverage must be on a "per occurrence" basis. All such insurance shall: (i) be issued by a carrier which is rated "A-1" or better by A.M. Best's Key Rating Guide and licensed to do business in the State of Texas; and (ii) name the City as an additional insured and contain a waiver of subrogation endorsement in favor of the City. Upon the execution of Public Infrastructure construction contracts, Developer shall provide to the City certificates of insurance evidencing such insurance coverage together with the declaration of such policies, along with the endorsement naming the City as an additional insured. Each such policy shall provide that, at least 30 days prior to the cancellation, non-renewal or modification of the same, the City shall receive written notice of such cancellation, non-renewal or modification.

5.15 INDEMNIFICATION and HOLD HARMLESS. **THE DEVELOPER, INCLUDING ITS RESPECTIVE SUCCESSORS AND ASSIGNS, HEREBY COVENANT AND AGREE TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY THE CITY AND ITS OFFICERS, AGENTS, REPRESENTATIVES, SERVANTS AND EMPLOYEES (COLLECTIVELY, THE "RELEASED PARTIES"), FROM AND**

AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, "CLAIMS") AGAINST THE CITY OR ANY OF THE RELEASED PARTIES, WHETHER REAL OR ASSERTED INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEY'S FEES, RELATED EXPENSES, EXPERT WITNESS FEES, CONSULTANT FEES, AND OTHER COSTS, ARISING OUT OF THE NEGLIGENCE OR OTHER WRONGFUL CONDUCT OF THE DEVELOPER, INCLUDING THE NEGLIGENCE OF ITS RESPECTIVE EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIAL MEN, AND/OR AGENTS, IN CONNECTION WITH THE DESIGN OR CONSTRUCTION OF ANY PUBLIC INFRASTRUCTURE, STRUCTURES, OR OTHER FACILITIES OR IMPROVEMENTS THAT ARE REQUIRED OR PERMITTED UNDER THIS AGREEMENT; AND IT IS EXPRESSLY UNDERSTOOD THAT SUCH CLAIMS SHALL, EXCEPT AS MODIFIED BELOW, INCLUDE CLAIMS EVEN IF CAUSED BY THE CITY'S OWN CONCURRENT NEGLIGENCE SUBJECT TO THE TERMS OF THIS SECTION. THE DEVELOPER SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST CLAIMS CAUSED BY THE CITY'S SOLE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. IF THE CITY INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF THE DEVELOPER AND THE CITY, THE DEVELOPER'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO THE DEVELOPER'S OWN PERCENTAGE OF RESPONSIBILITY. THE DEVELOPER, INCLUDING ITS RESPECTIVE SUCCESSORS AND ASSIGNS, FURTHER COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY, THE CITY AGAINST ANY AND ALL CLAIMS BY ANY PERSON CLAIMING AN OWNERSHIP INTEREST IN THE PROPERTY PRIOR TO THE EFFECTIVE DATE WHO HAS NOT SIGNED THIS AGREEMENT IF SUCH CLAIMS RELATE IN ANY MANNER OR ARISE IN CONNECTION WITH: (1) THE CITY'S RELIANCE UPON THE DEVELOPER'S REPRESENTATIONS IN THIS AGREEMENT; (2) THIS AGREEMENT OR OWNERSHIP OF THE PROPERTY; OR (3) THE CITY'S APPROVAL OF ANY TYPE OF DEVELOPMENT APPLICATION OR SUBMISSION WITH RESPECT TO THE PROPERTY.

5.16 Status of Parties. At no time shall the City have any control over or charge of Developer's design, construction or installation of any of the Public Infrastructure, nor the means, methods, techniques, sequences or procedures utilized for said design, construction or installation. This Agreement does not create a joint enterprise or venture or employment relationship between the City and Developer.

5.17 Vested Rights. This Agreement shall constitute a "permit" (as defined in Chapter 245) that is deemed filed with the City on the Effective Date.

5.18 Sole Source of Funding. Notwithstanding any other provision of this Agreement, the only source of funding for which the City is obligated to use to reimburse Developer for Developer's obligations under this Agreement are Assessment Revenues, PID Bond Proceeds in accordance with this Agreement and any future PID Reimbursement Agreements (or similar agreements) and Assessments. All other funding for Developer's obligations under this Agreement shall be the sole responsibility of Developer.

SECTION 6
PID BONDS

6.1 PID Bond Issuance. Developer may request issuance of PID Bonds by filing with the City a list of the PID Projects to be funded or acquired with the PID Bond Proceeds and the estimated or actual costs of such PID Projects. Following such a request, the City may require a professional services agreement that obligates Developer to fund the costs of the City's professionals relating to the creation of the PID and preparation for and issuance of PID Bonds, which amount shall be agreed to by the Parties and, to the extent permitted by law, considered a cost payable from such PID Bond Proceeds. Prior to the City the sale of PID Bonds, the City Council shall have approved and adopted the PID Documents. The issuance of each series of PID Bonds is further subject to all of the following conditions:

(a) The City has evaluated and determined that there will be no negative impact on the City's creditworthiness, bond rating, access to or cost of capital, or potential for tort liability.

(b) The City has determined that the PID Bonds assessment level, structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the PID Projects Cost to be financed and that there is sufficient security for the PID Bonds to be creditworthy.

(c) All costs incurred by the City that are associated with the administration of the PID shall be paid out of assessment revenue levied against property within the PID. City administration costs shall include those associated with continuing disclosure, compliance with federal tax law, agent fees, staff time, regulatory reporting, and legal and financial reporting requirements.

(d) The Service and Assessment Plan and the Assessment Ordinance levying assessments on all or any portion of the Property benefitted by PID Projects provide for amounts sufficient to pay all costs related to such PID Bonds.

(e) The City has formed and utilized its own financing team including, but not limited to, bond counsel, financial advisor, Administrator, and underwriters related to the issuance of PID Bonds and bond financing proceedings.

(f) Approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas.

(g) The Developer is current on all taxes, assessments, fees and obligations to the City including without limitation payment of Assessments.

(h) The Developer is not in default under this Agreement or, with respect to the Property, any other agreement to which Developer and the City are parties.

(i) No outstanding PID Bonds are in default and no reserve funds established for outstanding PID Bonds have been drawn upon that have not been replenished.

(j) The Administrator has indicated that the specified portions of the PID Projects Cost to be paid from the proceeds of the PID Bonds are eligible to be paid with the proceeds of such PID Bonds.

(k) The PID Projects to be financed by the PID Bonds have been or will be constructed according to the approved Development Standards imposed by this Agreement, including without limitation any applicable City Regulations.

(l) The maximum maturity for PID Bonds shall not exceed thirty (30) years from the date of delivery thereof, and the final maturity for any PID Bonds shall be not later than forty-five (45) years from the date of this Agreement.

(m) The City has determined that the PID Bonds meet all regulatory and legal requirements applicable to the issuance of the PID Bonds.

(n) The minimum value to lien ratio for PID Bonds, solely taking into account the portion of the Assessments related to the par amount of such PID Bonds, shall be 2:1.

(o) Any receivables due under any PID Reimbursement Agreement may be sold or assigned by the Developer without the consent of the City (except an assignment for the purpose of securing a conduit bond financing); provided, however, that no such assignment or sell or shall be made without prior written consent of the City if such transfer, 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.

(p) No information regarding the City, including without limitation financial information, shall be included in any offering document relating to PID Bonds without the consent of the City.

(q) The Developer agrees to provide periodic information and notices of material events regarding the Developer and the Developer's development within the PID in accordance with any Developer Continuing Disclosure Agreement required to be executed by the Developer in connection with the issuance of PID Bonds.

(r) Developer is not in default under a Developer Continuing Disclosure Agreement.

(s) If PID Bonds are being issued for local improvements relating to a phase other than the initial phase of the Project, the Developer has completed and the City has accepted the Authorized Improvements for any previous phase of the Project.

(t) Simultaneous with closing the PID Bonds, the City shall require the Developer to provide evidence of financial security sufficient to fund the Authorized Improvements, which fiscal security may be in the form of evidence of available funds to the Developer in cash or a under a lending facility, which evidence may be supplied through a letter from the Developer’s financial institution or lending provider, to the extent that the Authorized

Improvements have not already been completed and paid for by Developer or otherwise to the extent that the PID Bonds are insufficient to fund such Authorized Improvements;

(u) As part of an appraisal conducted in connection with the sale of PID Bonds, and only upon the request by the City, the City shall have been delivered a certification or other evidence from an independent appraiser acceptable to the City that confirms the special benefits conferred on the properties being assessed for the PID Projects increase the value of said properties by an amount at least equal to the amount assessed against such properties.

6.2 Disclosure Information. Prior to the issuance of PID Bonds by the City, Developer shall provide all relevant information, including financial information that is reasonably necessary in order to provide potential bond investors with a true and accurate offering document for any PID Bonds. Developer shall, at the time of providing such information, agree, represent, and warrant that the information provided for inclusion in a disclosure document for an issue of PID Bonds does not, to Developer's actual knowledge, contain any untrue statement of a material fact or omit any statement of material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and Developer further shall provide a certification to such effect as of the date of the closing of any PID Bonds.

6.3 Qualified Tax-Exempt Status.

(a) Generally. Subject to Section 6.3(e), in any calendar year in which PID Bonds are issued, Developer agrees to separately pay to the City its actual additional costs (such costs, the "Additional Costs") incurred in the issuance of its own revenue bonds/obligations and public securities or obligations on its own taxing power of municipal revenues, including obligations authorized by Texas Tax Code Chapter 311, as amended (the "City Obligations"), as described in this section, 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 ("IRC") 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 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. On or before January 15th of the following calendar year, the final Additional Costs shall be calculated. By January 31st of such year, any funds in excess of the final Additional Costs that remain in such segregated account on December 31st of the preceding calendar year shall be refunded to the developers or owners (including the Developer, as applicable) and any deficiencies in the estimated Additional Costs paid to the City by any developer or owner (including the Developer, as applicable) shall be remitted to the City by the respective developer or owner (including the Developer, as applicable).

(b) Issuance of PID Bonds Prior to City Obligations.

(1) In the event the City issues PID Bonds prior to the issuance of City Obligations, the City, with assistance from its financial advisor ("Financial Advisor"), shall estimate the Additional Costs based on the market conditions as they exist approximately 30 days

prior to the date of the pricing of the PID Bonds (the "Estimated Costs"). The Estimated Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to Developer in an amount less than or equal to the Estimated Costs. Developer, in turn, shall remunerate to the City the amount shown on said invoice on or before the earlier of: (i) 15 business days after the date of said invoice, or (ii) 5 business days prior to pricing the PID Bonds. The City shall not be required to price or sell any series of PID Bonds until Developer has paid the invoice of Estimated Costs related to the PID Bonds then being issued.

(2) Upon the City's approval of the City Obligations, the Financial Advisor shall calculate the Additional Costs to the City of issuing its City Obligations as non-QTEO. The City will, within 5 business days of the issuance of the City Obligations, provide written notice to Developer of the amount of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to Developer the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice to Developer required under this paragraph. If the Additional Costs are more than the Estimated Costs, Developer will pay to the City the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice required under this paragraph. If Developer does not pay the City the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice required under this paragraph, the City shall not be required to price or sell any series of PID Bonds and the Developer shall not be paid any reimbursement amounts under any PID Reimbursement Agreement(s) related to the Project until such payment of Additional Costs is made in full.

(c) Issuance of City Obligations prior to PID Bonds.

(1) In the event the City issues City Obligations prior to the issuance of PID Bonds, the City, with assistance from the Financial Advisor, shall calculate the Estimated Costs based on the market conditions as they exist 20 days prior to the date of the pricing of the City Obligations. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to Developer: (1) in an amount less than or equal to the Estimated Costs, and (2) that includes the pricing date for such City Obligations. The Developer, in turn, shall remunerate to the City the amount shown on said invoice at least fifteen (15) days prior to the pricing date indicated on the invoice. If Developer fails to pay the Estimated Costs as required under this paragraph, the City, at its option, may elect to designate the City Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year.

(2) Upon the City's approval of the City Obligations, the Financial Advisor shall calculate the Additional Costs to the City of issuing non-QTEO City Obligations. The City will, within 5 business days of the issuance of the City Obligations, provide written notice to Developer of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to Developer the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City's notice to Developer. If the Additional Costs are more than the Estimated Costs, Developer will pay to the City the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice. If Developer does not pay to the City the difference between the Additional Costs and the Estimated Costs as required under this paragraph, the City shall not be

required to price or sell any series of PID Bonds and the Developer shall not be paid any reimbursement amounts under any PID Reimbursement Agreement(s) related to the Project until such payment of Additional Costs is made in full.

(d) To the extent other developer(s) or property owner(s) (including Developer, as applicable), if any, has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by a developer or property owner (including Developer, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the developer(s) or property owner(s) (including Developer, as applicable) as necessary so as to put all developers and property owners (including Developer, if applicable) so paying for the same calendar year in the proportion set forth in subsection (e), below, said reimbursement to be made by the City within 15 business days after its receipt of such subsequent payments of such Additional Costs.

(e) Notwithstanding whether any other developer has agreed to pay Additional Costs in connection with such other developer's developments in the City, the Developer shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of Developer's portion has already been paid to the City under this provision, then such excess of Additional Costs shall be reimbursed to Developer. The portion owed by Developer shall be determined by dividing the total proceeds from any debt issued on behalf of Developer in such calendar year by the total proceeds from any debt issued by the City for the benefit of all developers (including Developer) in such calendar year.

6.4 Tax Certificate. If, in connection with the issuance of the PID Bonds, the City is required to deliver a certificate as to tax exemption (a "Tax Certificate") to satisfy requirements of the IRC, Developer agrees to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. Developer represents that such facts and estimates will be based on its reasonable expectations on the date of issuance of the PID Bonds and will be, to the best of the knowledge of the officers of Developer providing such facts and estimates, true, correct and complete as of such date. To the extent that it exercises control or direction over the use or investment of the PID Bond Proceeds, including, but not limited to, the use of the PID Projects, Developer further agrees that it will not knowingly make, or permit to be made, any use or investment of such funds that would cause any of the covenants or agreements of the City contained in a Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

SECTION 7
PAYMENT AND REIMBURSEMENT OF AUTHORIZED IMPROVEMENTS

7.1 PID Projects.

(a) Improvement Account of the Project Fund. The IAPF shall be administered and controlled by the City, or the trustee bank for the PID Bonds, and funds in the IAPF shall be deposited and disbursed in accordance with the terms of the Indenture.

(b) Timing of Expenditures and Reimbursements. Developer shall finance and undertake construction of the PID Projects in accordance with this Agreement, the SAP, or otherwise in conjunction with the construction of the applicable phases of the Project prior to seeking reimbursement from the IAPF. Although the terms by which Developer will be entitled to reimbursement from the IAPF shall be detailed in one or more PID Reimbursement Agreement(s), Developer will generally be entitled to the maximum available funds within the IAPF up to the PID Projects Cost, plus interest, following the City's acceptance of the PID Projects.

(c) Cost Overrun. Should the PID Projects Cost exceed the maximum PID Bond Proceeds deposited in the IAPF ("Cost Overrun"), the Developer shall be solely responsible to fund such part of the Cost Overrun, subject to any Cost Underrun as described in subsection (d) below.

(d) Cost Underrun. Upon the final acceptance by City of an Authorized Improvement and payment of all outstanding invoices for such Authorized Improvement, and only if the Authorized Improvement Cost is less than the Budgeted Cost (a "Cost Underrun"), any remaining funds in the Improvement Account of the Project Fund will be available to pay Cost Overruns on any other Authorized Improvement payable from the same Assessments. The City shall promptly confirm to the Trustee that such remaining amounts are available to pay such Cost Overruns, and the City, with input from the Developer, will decide how to use such moneys to secure the payment and performance of the work for other Authorized Improvements, if available. If a Cost Underrun exists after payment of all costs for all Authorized Improvements contemplated in the applicable Indenture, such unused funds will be used to pay Assessments on the Property.

(e) Infrastructure Oversizing. Developer shall not be required to construct or fund any Public Infrastructure so that it is oversized to provide a benefit to land outside the Property ("Oversized Public Infrastructure") unless, by the commencement of construction, the City has made arrangements to finance the City's portion of the costs of construction attributable to the oversizing requested by the City from sources other than PID Bond Proceeds or Assessments. In the event Developer constructs or causes the construction of any Oversized Public Infrastructure on behalf of the City, the City shall be solely responsible for all costs attributable to oversized portions of the Oversized Public Infrastructure and that the PID shall not be utilized for financing the costs of Oversized Public Infrastructure.

(f) Reimbursement of PID Projects Cost. The Parties shall, prior to or substantially contemporaneously with the initial levy of assessments on a phase(s) of the Project, enter into a PID Reimbursement Agreement (or similar agreement) to provide for reimbursement to Developer for PID Projects Cost for such phase(s) from the PID Bond Proceeds issued for such phase(s) or Assessments levied on such phase(s).

7.2 Payee Information. With respect to any and every type of payment/remittance due to be paid at any time by the City to Developer after the Effective Date under this Agreement, the name and delivery address of the payee for such payment shall be:

Bloomfield Homes, L.P.
Donald J. Dykstra, President

1050 E. Highway 114, Suite 210
Southlake, TX 76092

Developer may change the name of the payee and/or address set forth above by delivering written notice to the City designating a new payee and/or address or through an assignment of Developer's rights hereunder.

SECTION 8
EVENTS OF DEFAULT; REMEDIES

8.1 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given in writing (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than thirty (30) days (or any longer time period to the extent expressly stated in this Agreement as relates to a specific failure to perform) after written notice of the alleged failure has been given. Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within twenty (20) business days after it is due.

8.2 Remedies. As compensation for the other party's default, an aggrieved Party is limited to seeking specific performance of the other party's obligations under this Agreement. However, the Parties agree that Developer will not be required to specifically perform under this Agreement in the event that Developer satisfies all of its then applicable obligations under Section 6.1 and the City does not issue PID Bonds within eighteen months of the Effective Date.

SECTION 9
ASSIGNMENT; ENCUMBRANCE

9.1 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. The obligations, requirements, or covenants to develop the Property subject to this Agreement shall be freely assignable, in whole or in part, to any affiliate or related entity of Developer, or any lien holder on the Property, without the prior written consent of the City. Except as otherwise provided in this paragraph, the obligations, requirements or covenants to the development of the Property shall not be assigned, in whole or in part, by Developer to a non-affiliate or non-related entity of Developer without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed if the assignee demonstrates financial ability to perform. An assignee shall be considered a "Party" for the purposes of this Agreement. Each assignment shall be in writing executed by Developer and the assignee and shall obligate the assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. No assignment by Developer shall release Developer from any liability that resulted from an act or omission by Developer that occurred prior to the effective date of the assignment unless the City approves the release in writing. Developer shall maintain written records of all assignments made by Developer

to assignees, including a copy of each executed assignment and, upon written request from any Party or assignee, shall provide a copy of such records to the requesting person or entity, and this obligation shall survive the assigning Party's sale, assignment, transfer, or other conveyance of any interest in this Agreement or the Property.

9.2 Assignees as Parties. An assignee authorized in accordance with this Agreement and for which notice of assignment has been provided in accordance herewith shall be considered a "Party" for the purposes of this Agreement. With the exception of: (a) the City, (b) an End User, (c) a purchaser of a Fully Developed and Improved Lot, any person or entity upon becoming an owner of land within the PID or upon obtaining an ownership interest in any part of the Property shall be deemed to be a "Developer" and have all of the rights and obligations of Developer as set forth in this Agreement and all related documents to the extent of said ownership or ownership interest.

9.3 Third Party Beneficiaries. Except as otherwise provided herein, this Agreement inures to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

9.4 Notice of Assignment. Subject to Section 9.1 of this Agreement, the following requirements shall apply in the event that Developer sells, assigns, transfers, or otherwise conveys the Property or any part thereof and/or any of its rights or benefits under this Agreement: (i) Developer must provide written notice to the City to the extent required under Section 9.1; (ii) said notice must describe the extent to which any rights or benefits under this Agreement will be sold, assigned, transferred, or otherwise conveyed; (iii) said notice must state the name, mailing address, telephone contact information, and, if known, email address, of the person(s) that will acquire any rights or benefits as a result of any such sale, assignment, transfer or other conveyance; and (iv) said notice must be signed by a duly authorized person representing Developer and a duly authorized representative of the person that will acquire any rights or benefits as a result of the sale, assignment, transfer or other conveyance.

SECTION 10
RECORDATION AND ESTOPPEL CERTIFICATES

10.1 Binding Obligations. This Agreement and all amendments thereto and assignments hereof shall be recorded in the Real Property Records. This Agreement binds and constitutes a covenant running with the Property and, upon the Effective Date, is binding upon Developer and the City, and forms a part of any other requirements for development within the Property. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End User of a Fully Developed and Improved Lot except for land use and development regulations that apply to such lots.

10.2 Estoppel Certificates. From time to time, upon written request of Developer or any future owner, and upon the payment to the City of a $100.00 fee plus all reasonable costs incurred

by the City in providing the certificate described in this section, the City Manager, or his/her designee will, in his/her official capacity and to his/her reasonable knowledge and belief, execute a written estoppel certificate identifying any obligations of an owner under this Agreement that are in default.

SECTION 11
GENERAL PROVISIONS

11.1 Term. Unless otherwise extended by mutual agreement of the Parties, the term of this Agreement shall be fifteen (15) years after the Effective Date (the "Original Term"). Upon expiration of the Original Term, the City shall have no obligations under this Agreement with the exception of maintaining and operating the PID in accordance with the SAP and the Indenture.

11.2 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement; and (d) are fully incorporated into this Agreement for all purposes. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

11.3 Acknowledgments. In negotiating and entering into this Agreement, the Parties respectively acknowledge and understand that:

(a) Developer's obligations hereunder are primarily for the benefit of the Property;

(b) the improvements to be constructed and the open space dedications and donations of real property that Developer is obligated to set aside and/or dedicate under this Agreement will benefit the Project by positively contributing to the enhanced nature thereof, increasing property values within the Project, and encouraging investment in and the ultimate development of the Project;

(c) Developer's consent and acceptance of this Agreement is not an exaction or a concession demanded by the City, but is an undertaking of Developer's voluntary design to ensure consistency, quality, and adequate public improvements that will benefit the Property;

(d) the Authorized Improvements will benefit the City and promote state and local economic development, stimulate business and commercial activity in the City for the development and diversification of the economy of the state, promote the development and expansion of commerce in the state, and reduce unemployment or underemployment in the state;

(e) nothing contained in this Agreement shall be construed as creating or intended to create a contractual obligation that controls, waives, or supplants the City Council's legislative discretion or functions with respect to any matters not specifically addressed in this Agreement.

11.4 Notices. Any notice, submittal, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when delivered personally or upon the expiration of 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	City of Oak Point, Texas Attn: City Manager 100 Naylor Road Oak Point, TX 75068 Email: sashley@oakpointtexas.com
With a copy to:	Brown & Hofmeister, L.L.P. Attn: Jeff Moore 740 East Campbell Road, Suite 800 Richardson, Texas 75081 Email: jmoore@bhlaw.net
To Developer:	Bloomfield Homes, L.P. Donald J. Dykstra, President 1050 E. Highway 114, Suite 210 Southlake, TX 76092 Email: don@bloomfieldhomes.net
With a copy to:	Winstead PC Attn: Drew Slone 2728 N. Harwood St., Suite 500 Dallas, Texas 75201 Email: dslone@winstead.com

Any Party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other Party.

11.5 Interpretation. Each Party has been actively involved in negotiating this Agreement. Accordingly, a rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.

11.6 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is required.

11.7 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. The Developer represents and warrants that this Agreement has

been approved by appropriate action of Developer, and that each individual executing this Agreement on behalf of Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions.

11.8 Immunity. The Parties are entering into this Agreement in reliance upon its enforceability. By its execution of this Agreement, the City does not waive or surrender any of its respective governmental powers, immunities, or rights except as provided in this section. This is an agreement for the provision of goods or services to the City under Section 271.151 et seq. of the Texas Local Government Code.

11.9 Severability. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

11.10 Applicable Law; Venue. This Agreement is entered into pursuant to, and is to be construed and enforced in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Denton County. Exclusive venue for any action related to, arising out of, or brought in connection with this Agreement shall be in the Denton County District Court.

11.11 Non Waiver. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

11.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

11.13 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three (3) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been

avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care.

11.14 Complete Agreement. This Agreement embodies the entire Agreement between the Parties and cannot be varied or terminated except as set forth in this Agreement, or by written agreement of the Parties expressly amending the terms of this Agreement. By entering into this Agreement, any previous agreements or understanding between the Parties relating to the same subject matter are null and void.

11.15 Consideration. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

11.16 Anti-Boycott Verification. To the extent this Agreement constitutes 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 this Agreement. The foregoing verification is made solely to enable compliance 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.

11.17 Verification under Chapter 2252, Texas Government Code. Section 2252.151 of the Texas Government Code defines a "governmental contract" as a contract awarded by a governmental entity for general construction, an improvement, a service, or a public works project or for a purchase of supplies, materials, or equipment, and provides that the term includes a contract to obtain a professional or consulting service subject to Chapter 2254 of the Texas Government Code. The Developer represents that, as of the date of this Agreement, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the Developer nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Developer (if any) is an entity listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code or 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.

11.18 No Discrimination Against Fossil-Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the 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.

11.19 No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate 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,

'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

(b) '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.

11.20 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. 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.

11.21 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds Description of the Property
Exhibit B	Concept Plan
Exhibit C	Development Standards
Exhibit D	Authorized Improvements and Budgeted Costs
Exhibit E	Map of Authorized Improvements

[SIGNATURES PAGES AND EXHIBITS FOLLOW;
REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXECUTED BY THE PARTIES TO BE EFFECTIVE ON THE EFFECTIVE DATE:

CITY OF OAK POINT, TEXAS,
A Texas home rule municipality

By: Dena Meek
Name: Dena Meek
Title: Mayor
Date: 12/22/22

ATTEST:

Joni Vaughn, City Secretary

STATE OF TEXAS §
COUNTY OF DENTON §

This instrument was acknowledged before me on this Dec 22, 2022, by Dena Meek, Mayor of the City of Oak Point, Texas, a Texas home-rule municipality, on behalf of said Texas municipality.

CITY OF OAK POINT, TX
[SEAL]

Donna M Boner
Notary Public, State of Texas

NOTARY PUBLIC STATE OF TEXAS
DONNA M. BONER
My Notary ID # 11407934
Expires November 5, 2026

DEVELOPER:

BLOOMFIELD HOMES, L.P.,
a Texas limited partnership

By: Bloomfield Properties, Inc.,
a Texas corporation, its General Partner

By: _____
Donald J. Dykstra, President

STATE OF TEXAS §
COUNTY OF DENTON §

This instrument was acknowledged before me, on this December 21, 2022, by Donald J. Dykstra, President of Bloomfield Properties, Inc., a Texas corporation, general partner of Bloomfield Homes, L.P., on behalf of said partnership.

[S E A L]

DREW M SLONE
Notary Public, State of Texas
Notary ID 13060652-0
My Commission Exp. 04-04-2024

_____
Notary Public, State of Texas

Exhibit A
Description of Property

LEGAL DESCRIPTION
110.634 ACRES

BEING A 110.634 ACRE TRACT OF LAND SITUATED IN THE GEORGE W. DANIELS SURVEY, ABSTRACT NO. 331, IN THE CITY OF OAK POINT, DENTON COUNTY, TEXAS, AND BEING A PART OF A CALLED 147.553 ACRE TRACT OF LAND DESCRIBED IN SPECIAL WARRANTY DEED TO DENTON INDEPENDENT SCHOOL DISTRICT AS RECORDED IN COUNTY CLERK'S FILE NO. 2004-100596 OF THE OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, SAID 110.634 ACRE TRACT, WITH BEARING BASIS OF GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE 4202, NAD83 DATUM (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS CALCULATED FROM DENTON CORS ARP (PID-DF8986) AND COLLIN CORS ARP (PID-DF8982) AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR THE WEST CORNER OF A CORNER CLIP ON THE SOUTH RIGHT-OF-WAY LINE OF MARTOP ROAD;

THENCE, OVER AND ACROSS SAID 147.553 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

SOUTH 65 DEGREES 32 MINUTES 25 SECONDS EAST, ALONG THE SOUTHWEST RIGHT-OF-WAY LINE OF SAID MARTOP ROAD, SAID RIGHT-OF-WAY LINE BEING ALONG THE SOUTHWEST LINE OF SAID CORNER CLIP, A DISTANCE OF 33.40 FEET TO A POINT FOR THE SOUTH CORNER OF SAID CORNER CLIP, SAID CORNER BEING ON THE WEST RIGHT-OF-WAY LINE OF F.M. 720 AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 15 DEGREES 42 MINUTES 01 SECONDS, A RADIUS OF 624.90 FEET, AND A LONG CHORD THAT BEARS SOUTH 08 DEGREES 18 MINUTES 17 SECONDS EAST, A DISTANCE OF 170.70 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 171.24 FEET TO A POINT FOR CORNER;

SOUTH 00 DEGREES 12 MINUTES 43 SECONDS EAST, CONTINUING ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 1,723.60 FEET TO A POINT FOR CORNER;

SOUTH 00 DEGREES 11 MINUTES 16 SECONDS WEST, ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 510.38 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, DEPARTING SAID WEST RIGHT-OF-WAY-LINE, A DISTANCE OF 588.34 FEET TO POINT FOR CORNER;

SOUTH 00 DEGREES 12 MINUTES 43 SECONDS EAST, A DISTANCE OF 753.00 FEET TO A POINT FOR CORNER ON THE SOUTH LINE OF SAID 147.553 ACRE TRACT;

THENCE, NORTH 87 DEGREES 41 MINUTES 33 SECONDS WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 1,151.80 FEET TO A POINT FOR THE MOST SOUTHERLY SOUTHWEST CORNER OF SAID 147.553 ACRE TRACT;

THENCE, NORTH 00 DEGREES 13 MINUTES 59 SECONDS WEST, ALONG THE MOST SOUTHERLY WEST LINE OF SAID 147.553 ACRE TRACT, A DISTANCE OF 1,737.60 FEET TO A POINT FOR A REENTRANT CORNER OF SAID 147.553 ACRE TRACT;

THENCE, DEPARTING SAID WEST LINE AND OVER AND ACROSS SAID 147.553 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

NORTH 89 DEGREES 47 MINUTES 12 SECONDS EAST, A DISTANCE OF 251.94 FEET TO A POINT FOR CORNER;

NORTH 01 DEGREES 51 MINUTES 20 SECONDS EAST, A DISTANCE OF 1,579.50 FEET TO A POINT FOR CORNER ON AFORESAID SOUTH RIGHT-OF-WAY LINE OF SAID MARTOP ROAD;

SOUTH 87 DEGREES 27 MINUTES 15 SECONDS EAST, ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 629.40 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 25 DEGREES 29 MINUTES 24 SECONDS, A RADIUS OF 524.90 FEET, AND A LONG CHORD THAT BEARS SOUTH, 74 DEGREES 25 MINUTES 32 SECONDS EAST, A DISTANCE OF 231.60 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 233.52 FEET TO A POINT FOR CORNER;

SOUTH 61 DEGREES 41 MINUTES 01 SECONDS EAST, CONTINUING ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 97.54 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 41 DEGREES 52 MINUTES 25 SECONDS, A RADIUS OF 624.90 FEET, AND A LONG CHORD THAT BEARS SOUTH, 82 DEGREES 37 MINUTES 17 SECONDS EAST, A DISTANCE OF 446.60 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 456.70 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 110.634 ACRES (4,819,218 SQUARE FEET) OF LAND MORE OR LESS.

Exhibit B
Concept Plan



Exhibit C
Development Standards

EXHIBIT C – DEVELOPMENT STANDARDS

Chaparral Park Planned Development

All zoning regulations, standards, uses, requirements, and processes for the R4X, District of the City of Oak Point Zoning Ordinance (Ord. No. 2002-04), as it exists or may be amended, shall apply to the Planned Development except as follows:

1. The maximum number of single-family residential units permitted shall be four hundred (400).

2. The following single-family residential lot development standards shall apply:

   a. The minimum lot area shall be 6,000 sq. ft.

   b. The minimum lot width shall be 50 ft. measured along the platted front yard building line.

   c. The minimum lot depth shall be 100 ft., measured at the midpoints of the front and rear lot lines.

   d. The minimum front yard shall be 20 ft.

   e. The minimum side yard shall be 5 ft.

   f. The minimum side yard adjacent to a street shall be 10 ft.

   g. The minimum rear yard shall be 10 ft.

   h. The maximum lot coverage shall be 55%, including main structures and accessory structures.

   i. The minimum dwelling area (air-conditioned) shall be 1,800 sq. ft.

   j. The maximum structure height shall be two and one-half (2-1/2) stories measured at the highest point of the structure, not to exceed forty feet (40').

   k. The following lot development standards shall apply to at least 30% of the single-family residential lots:

      i. The minimum lot area shall be 7,200 sq. ft.

      ii. The minimum lot width shall be 60 ft. measured along the platted front yard building line.

      iii. The minimum lot depth shall be 100 ft., measured at the midpoints of the front and rear lot lines.

      iv. The minimum front yard shall be 20 ft.

      v. The minimum side yard shall be 5 ft.

vi. The minimum side yard adjacent to a street shall be 10 ft.

vii. The minimum rear yard shall be 10 ft.

viii. The maximum lot coverage shall be 55%, including main structures and accessory structures.

ix. The minimum dwelling area (air-conditioned) shall be 1,800 sq. ft.

x. The maximum structure height shall be two and one-half (2-1/2) stories measured at the highest point of the structure, not to exceed forty feet (40').

5. General Conditions and Restrictions.

a. A curvilinear street pattern is not required.

b. There shall be no maximum block length requirements along the perimeter of the PD.

c. 50' Right of Way will be required on all residential streets. Street pavement will be constructed to a width of 31' B-B with a mountable curb.

d. Sidewalks with a minimum width of five (5) feet are required on one side of all streets. As referenced in the Exhibit C – Connectivity Plan, all sidewalks adjacent to open space shall be constructed by the developer with the streets prior to final acceptance of the subdivision improvements.

e. The concept plan depicted on Exhibit B – Concept Plan is conceptual and subject to change. Revisions to the plan shall not constitute an amendment of the PD, or require the submittal and approval of a revised plan prior to submittal of a preliminary plat, provided that all restrictions of the PD are adhered to, and provided the revised plan is in accordance with the subdivision rules and regulations unless superseded by the PD or waived by the City Staff, Planning & Zoning Commission, and/or City Council, as applicable.

f. Phasing of the development may occur, provided the subdivision rules and regulations are adhered to unless superseded by the PD or waived by the City Staff, Planning & Zoning Commission, and/or City Council, as applicable.

g. Proposed screening shall be in accordance with Exhibit C – Screening Improvements. 6' Wood screening to be installed around the residential perimeter, 4'-6' tubular steel screening to be installed around the open space & drainage areas, 6' masonry screening along Martop Road and McCormick Road.

h. The minimum width of landscaped open space adjacent to McCormick Road and Martop Road shall be 10 ft. At a minimum, landscaping shall include irrigation and 3-inch caliper trees selected from the "Large/Shade Tree List", as defined by the City of Oak Point Zoning Ordinance Appendix C - Approved Landscape Materials, and crepe myrtles. At a minimum, one Large/Shade Tree and two crepe myrtles shall be required for every fifty (50) linear feet of landscaped open space adjacent to McCormick Road and Martop Road. An existing, healthy tree greater than 3-inch caliper that is preserved, regardless of species or type, shall satisfy the planting requirements for one required tree. The requirements of this section shall satisfy all roadway screening and buffering

requirements for McCormick Road and Martop Road.

i. One-half (1/2) of the ultimate right-of-way for McCormick Road one-half being 50 ft. from the centerline of the existing pavement or 100' from the existing and ultimate ROW line on the opposite side if already established, shall be dedicated adjacent to the planned development boundary at the earlier of adjacent final platting or construction of the roadway (as shown in Exhibit E – Map of Authorized Improvements). Improvements to McCormick shall consist of one-half the ultimate roadway section adjacent to the planned development boundary being two (2) adjacent twelve foot (12') travel lanes of a future four lane median divided roadway. The improvements shall be constructed by the developer concurrently with the development of adjacent phases of the planned development. Alternately, at the City's sole determination, funds may be escrowed by the developer for the later construction of the improvements by others.

j. Setback requirements for any permitted recreation or amenity structures on a lot or open space shall be as follows:

i. Front: 15 ft.

ii. Side: 15 ft.

iii. Rear: 15 ft.

k. At least two (2) trees with a minimum of three (3) caliper inches selected from the Large/Shade Tree List, as defined by the City of Oak Point Zoning Ordinance Appendix C - Approved Landscape Materials, shall be provided on each single-family lot. At least one required tree shall be installed within the front yard. An existing healthy tree(s) of any variety, with a minimum of three (3) caliper inches, shall satisfy the requirement for one required tree(s). All required trees shall be planted within thirty (30) days of home occupancy for each lot.

6. In the areas defined as non-residential on Exhibit B – Concept Plan, the property shall be developed under the regulations of the Neighborhood Commercial (NC) District as outlined in Section V of the Zoning Ordinance No. 2002-04 as is currently exists, or may be amended, and in general compliance with to Ordinance 2022-05-560] subject to the following conditions:

a. Permitted Uses. Permitted uses include the uses permitted in the NC District and the following uses:

* Amusement - inside.

* Antique shop/used furniture.

* Auto parts sales (incidental to the primary use only).

* Bank/credit union/savings and loan (with or without drive thru facilities).

* Beauty shop/barber shop.

* Building material and hardware store[.]

* Community center.

* Consumer goods repair.

* Convenience store with gas pumps

* Convenience store without gas pumps

* Dance/gymnastics studio.

* Drug store.

* Dry cleaning.

* Flower shop.

* Furniture, home furnishings and appliances[.]

* Gasoline service station with gas pumps

* Government center/service/office.

* Grocery store/food market

* Health and fitness center.

* Hotel.

* Medical emergency clinic (minor).

* Medical/dental/optical office.

* Medical laboratory.

* Municipal uses operated by the City of Oak Point.

* Museum/art gallery.

* Nursery/garden center (commercial).

* Office, administrative, governmental, medical, professional.

* Office showroom.

* Park, playground, open space, trail(s), recreation center/amenity center, including related uses (i.e. play equipment, swimming pool, tennis court, skate board/roller hockey court, basketball court, volleyball court, etc.) (public and/or private); provided that courts or athletic fields will not be lighted.

* Professional/non-inventory sales/service.

* Print shop.

* Restaurant.

* Restaurant with drive-thru/drive-in service.

* Retail sales/service

* School (public).

* School (private/parochial).

* Studio, instructional/artistic.

* Temporary field construction office.

* Veterinary clinic/kennel with no outside pens.

* Other uses similar to the above listed permitted uses, provided that the Oak Point City Council approves the proposed uses prior to issuance of a building permit.

i. For the purpose of this Planned Development, Office Showroom shall be defined as an establishment with a minimum of seventy-five (75%) percent of its total enclosed floor area devoted to storage and warehousing, but not accessible to the general public. The remaining area may include retail and wholesale sales areas, sales offices, and display areas for products sold and distributed from the storage and warehousing areas.

b. Prohibited Uses. The following uses are prohibited within the areas defined as non-residential on Exhibit B – Concept Plan.

* Residential.

* Automobile and Related Services.

* Manufacturing Storage and Warehousing.

* Feed and Farm Supply.

* Massage Therapy Facility.

* Metal Dealer, Crafted Precious Metal.

* Mortuary or Funeral Home.

* Taxidermist.

* Smoke, Tobacco, Vape, or other smoking-related uses

* Home and Garden Center

* Car Wash

* Church or church offices

c. Commercial/Retail/Office/City Services. If the property is developed with commercial, retail, office and/or city service uses, the development standards are subject the standards of the NC District as outlined in City of Oak Point Zoning Ordinance (Ord. No. 2002-04), as it currently exists or may be amended subject to the following conditions:

i. Minimum lot area shall be ten thousand (10,000) gross square feet; No maximum lot area.

ii. Minimum lot width shall be sixty (60') feet; No maximum lot width.

iii. Minimum lot depth shall be one hundred (100') feet; No maximum lot depth.

iii. Maximum lot coverage shall be fifty (50%) percent.

iv. Minimum side yard shall be twenty (20') feet. No side yard shall be required where commercial structures are attached.

v. Parking shall be permitted in front, rear and side yards, but shall be prohibited in the required thoroughfare landscape buffers.

vi. Maximum building height shall be two (2) stories, not to exceed forty (40') feet.

vii. Maximum Floor Area Ratio shall be 0.45:1.

d. Signage. One (1) individual monument sign may be constructed on each lot containing a building. An individual monument sign shall not exceed sixty (60) square feet in area and shall not be greater than eight (8) feet in height. Signs shall be constructed entirely of masonry materials or shall include a one-foot masonry border. Sign height shall be measured from grade to the highest point of the sign and the border shall be included in the measurement of the sign area.

7. Masonry Wall Required

In connection with the development of commercial uses within the Property, a minimum six-foot masonry wall shall be constructed along the boundaries between retail/commercial development and planned or existing single-family development within the Property.

8. Single Family Detached – Architectural Standards.

a. The exterior facades of the main structure shall be constructed of 80% masonry overall excluding windows, doors, dormers, window box-outs, and walls above roof and not less than 75% on any one elevation excluding windows, doors, dormers, window box-outs, and walls above roof. The masonry material is comprised of brick, stone, cast stone, stucco or a combination thereof.

b. Roof slopes for the main structure shall be a minimum of 8:12 except over porches and architectural features and roof construction shall include opposing roof elements on the front façade and at least one other façade, unless otherwise approved by the City Council upon a recommendation from the Planning & Zoning Commission.

c. All ground level mechanical, heating, ventilation, and air-conditioning equipment shall be screened from view from an adjacent street with landscaping or a fence that is at least six feet tall.

d. Garages required. A two-car garage is required for each residential unit with an interior

clear minimum width of 18 feet and clear minimum depth from the overhead garage door of 20 feet.

e. Front doors shall be at least 8 feet tall.

f. Each unit shall include at least three of the following architectural elements:

i. 100 percent of each wall is finished with a masonry material exclusive of doors, windows, porches, chimneys, and walls provided in conjunction with an architectural element above the roofline (example: walls for dormers);

ii. The front façade contains two types of complementary masonry finishing materials, with each of the materials being used on at least 25 percent of the front façade;

iii. A minimum of 10 percent of the unit's front façade features patterned brickwork, excluding soldier or sailor brickwork provided in association with a door or window;

iv. Cedar garage door or carriage style garage doors. Carriage style garage door typically feature vertical slats, high windows, antiqued hardware, and additional detailing to give the appearance of swinging or sliding door;

v. A minimum of three offsets in the front façade measuring at least one foot deep are provided or a minimum of one offset in the front façade measuring at least three feet is provided;

vi. The unit features an articulated front entrance through the use of lintels, pediments, keystones, pilasters, arches, columns, or other similar architectural elements;

vii. A combined covered front porch and / or back patio which is at least 100 square feet in area is provided;

viii At least one dormer or gable is provided. The dormer or gable must be appropriately scaled for the roof plane;

viii. Roof pitch at 10:12 side to side is incorporated into the front of the house;

ix. At least 50% of the windows facing a street feature shutters which must be in scale with the corresponding window; or

x. A minimum of 2 coach lights on the front façade

xi. A minimum of 2 car garage

xiii Other innovative designs as may be requested by an applicant and approved by staff, or in staff's discretion or denial forwarded to the Planning and Zoning Commission for consideration, and if denied by the Planning and Zoning Commission, then appealed to the City Council. Such designs shall not have an adverse impact on current or future development, shall be in keeping with spirit of the purpose of this section, shall not reduce the quality of the development, and

shall not have an adverse impact on the public health, safety and general welfare. Such applications and approvals shall not constitute a zoning amendment.

Non-Residential Architectural Standards

a. All structures shall have similar architectural style, materials, and colors.

b. All structures shall be constructed of masonry as the primary construction material. Masonry shall consist of brick, stone, or similar masonry unit-type materials, or a minimum of one (1") inch thick stucco construction. Secondary materials may be used to accent primary materials with the following limits on an one façade:

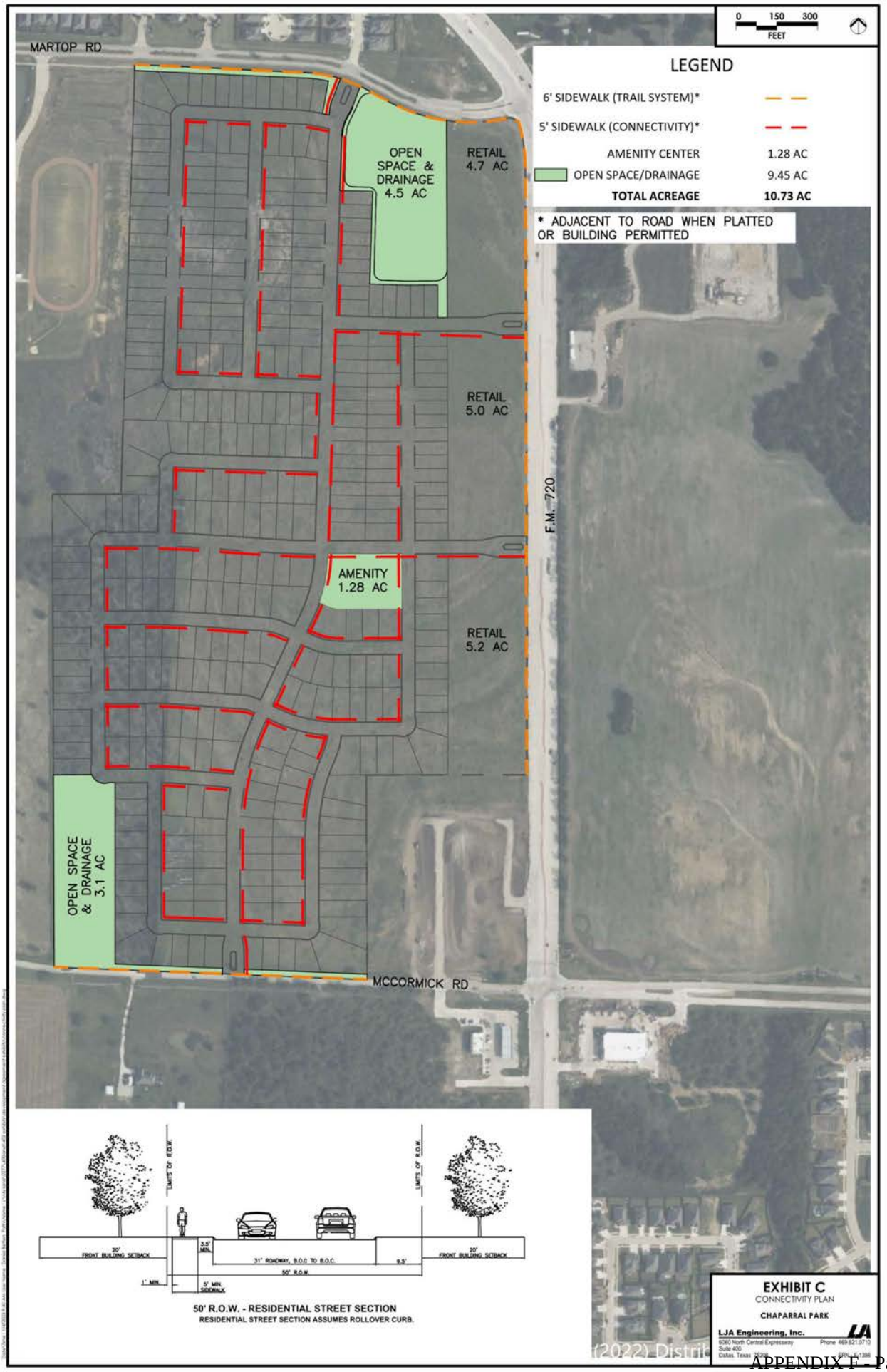
c. Aluminum, or other metals maximum of ten (10%) percent.

d. Stucco or cement siding maximum of twenty (20%) percent.

e. Tinted or split face Concrete Masonry Unit (CMU) maximum of fifteen (15%) percent.

f. Exterior insulation and Finish Systems (EIFS) or similar maximum of twenty (20%) percent if approved by the City Council upon a recommendation from the Planning & Zoning Commission at time of site plan, platting and/or Detailed Site Plan approval.

g. The non-residential development within the Property shall comply with the Non-Residential Construction and Architectural Standards set forth in the City Zoning ordinance. All non-residential architectural design standards must be approved by the City Council.


0 150 300
FEET
MARTOP RD
LEGEND
6' SIDEWALK (TRAIL SYSTEM)*
5' SIDEWALK (CONNECTIVITY)*
AMENITY CENTER 1.28 AC
OPEN SPACE/DRAINAGE 9.45 AC
TOTAL ACREAGE 10.73 AC
* ADJACENT TO ROAD WHEN PLATTED OR BUILDING PERMITTED
OPEN SPACE & DRAINAGE 4.5 AC
RETAIL 4.7 AC
RETAIL 5.0 AC
AMENITY 1.28 AC
RETAIL 5.2 AC
OPEN SPACE & DRAINAGE 3.1 AC
F.M. 720
MCCORMICK RD
LIMITS OF R.O.W.
LIMITS OF R.O.W.
20' FRONT BUILDING SETBACK
3.5' MIN.
31' ROADWAY, B.O.C TO B.O.C.
9.5'
20' FRONT BUILDING SETBACK
50' R.O.W.
1' MIN.
5' MIN. SIDEWALK
50' R.O.W. - RESIDENTIAL STREET SECTION
RESIDENTIAL STREET SECTION ASSUMES ROLLOVER CURB.
EXHIBIT C
CONNECTIVITY PLAN
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FIRM # F-1386

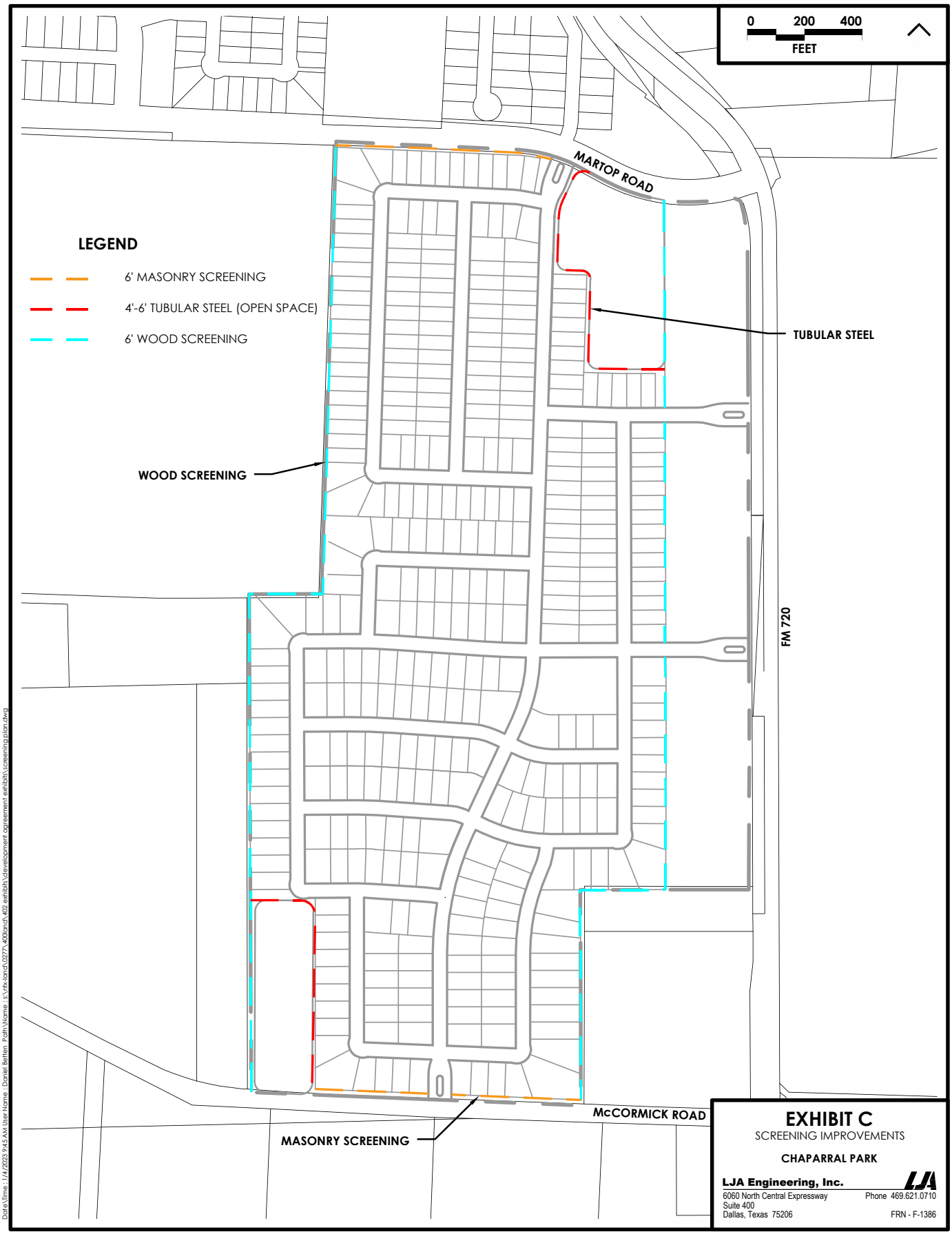

0 200 400
FEET
MARTOP ROAD
LEGEND
6' MASONRY SCREENING
4'-6' TUBULAR STEEL (OPEN SPACE)
6' WOOD SCREENING
TUBULAR STEEL
WOOD SCREENING
FM 720
McCORMICK ROAD
MASONRY SCREENING
EXHIBIT C
SCREENING IMPROVEMENTS
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386
Date&Time: 1/4/2023 9:45 AM User Name: Daniel Betten Path\Name: s:\nrk-land\027X 402land\ 402 exhibits\development agreement exhibits\screening plan.dwg

Exhibit D
Authorized Improvements and Budgeted Costs

CHAPARRAL PARK - Summary

PER LOT ANALYSIS

SUMMARY

RESIDENTIAL			*TOTAL*
A. EXCAVATION			**$2,290,165.00**
B. SANITARY SEWER SYSTEM			**$1,772,550.00**
C. STORM SEWER SYSTEM			**$1,828,500.00**
D. WATER DISTRIBUTION SYSTEM			**$1,603,350.00**
E. STREET PAVING			**$3,264,000.00**
F. RETAINING WALLS			**$1,444,150.00**
G. MISCELLANEOUS ITEMS			**$431,650.00**
H. DEVELOPMENT FEES			**$2,679,345.00**
	SUB-TOTAL		**$15,313,710.00**
	CONTINGENCIES:	*10%*	**$1,531,371.00**
	RESIDENTIAL SUB-TOTAL:		**$16,845,081.00**
	COST PER LOT		$45,500.00

MASTER INFRASTRUCTURE			*TOTAL*
A. EXCAVATION			**$787,500.00**
B. SANITARY SEWER SYSTEM			**$1,000,000.00**
C. STORM SEWER SYSTEM			**$317,900.00**
D. WATER DISTRIBUTION SYSTEM			**$626,100.00**
E. STREET PAVING			**$1,431,450.00**
F. RETAINING WALLS			**$185,900.00**
G. MISCELLANEOUS ITEMS			**$895,500.00**
H. DEVELOPMENT FEES			**$1,202,200.00**
	SUB-TOTAL		**$6,446,550.00**
	CONTINGENCIES:	*10%*	**$644,655.00**
	MASTER INFRASTRUCTURE SUB-TOTAL:		**$7,091,205.00**
	COST PER LOT		$19,500.00

TOTAL CONSTRUCTION COSTS	**$23,936,286.00**

LOT COUNT:	373
COST PER LOT:	$64,500.00
NET DEVELOPED ACREAGE:	91.4
COST PER DEVELOPED ACRE:	$262,000.00
TOTAL GROSS ACREAGE:	112.5
COST PER GROSS ACRE:	$213,000.00

GENERAL

1. This estimate of probable cost was prepared for the site plan by LJA dated August 2022. A Discovery package by LJA dated August 2022 was sourced to inform assumptions of this estimate.
2. The tract is located within the City of Oak Point and is generally described as being located at the intersection of Shahan Prairie Road and FM 720. The property is currently zoned for Special Use, Single Family (Min 5 acres).
3. This estimate is based on cost "per lot" averages from similar developments and considers the density of the development.
4. This estimate does not include costs for infrastructure within the commercial tracts and assumes that residential cost-per-lot totals are sufficient to accommodate utility stubs to serve future commercial uses.
5. This estimate of probable cost does not consider discounts on lot development costs that may be realized through reimbursement via a district funding mechanism or development agreement.
6. This estimate was prepared without the benefit of an environmental report or wetlands determination. National Wetlands Inventory maps denote that wetlands and other jurisdictional features may be present on site and proposed lots and roads may potentially cross these features.
7. This estimate was prepared utilizing topographic assumptions based on GIS point data sourced from TNRIS and identifies an approximate mean site grade of 3.9%.
8. Net developable acreage is defined by the sum of the areas of residential lots and ROW.
9. Gross acreage is defined by the property boundary as shown on the site plan.
10. This estimate assumes the project is preliminary platted one time.

EXCAVATION

1. Unit prices do not reflect rock excavation.
2. It is assumed that 100% of lots will require moisture conditioning at a depth of 6'.
3. This estimate includes excavation costs assumed to be required to elevate the northwestern portion of the site to positively drain to the proposed detention pond in the northeast corner.

SANITARY SEWER

1. This estimate includes allowances for onsite and offsite master sanitary sewer infrastructure. Based on information available at the time of this estimate from Mustang SUD facilities map, there are two 8" sanitary sewer lines within 500' of the development to the north and the south and a 21" sanitary sewer line constructed in Cross Oak Ranch Tract 10A within 1,000' to the northwest of the development. It is anticipated that these allowance will be refined as more information about existing infrastructure and capacity becomes available.
2. Unit prices for Master sanitary sewer lines include all necessary manholes, trench safety, testing, etc.
3. This estimate assumes that the developed sewer basin is served by Mustang SUD.
4. This estimate assumes the sanitary sewer system is servicing 112.5 acres excluding offsite basins.
5. This estimate was produced without the benefit of a comprehensive sewer study. Additional costs may occur due to extra deep or parallel sewer lines.

STORM DRAINAGE

1. This estimate was prepared without the benefit of a flood study and a floodplain water surface elevation analysis.
2. Costs for studies, easement releases, analysis of regional dams are not included in this estimate.
3. This estimate includes a storm sewer premium associated with routing the southern most retail pod through the development.

WATER

1. This estimate assumes that the tract is supplied water by Mustang SUD. Connection to existing water infrastructure is assumed to be achieved at McCormick Road and Martop Road.
2. This estimate includes costs to bore across the ROW for Martop Road to connect to the existing 12" line.
3. Unit prices for Master water lines includes all necessary fire hydrants, fittings, tees, valves, crosses, etc.
4. This estimate was performed without the benefit of a water model.
5. This estimate assumes any water line looping needed to serve the retail tracts will be internal to the retail pods.

PAVING

1 This estimate assumes the following ROW widths and street sections:
Residential Street: 50' ROW, 31' B-B, 6" reinforced concrete with 6" lime subgrade (36#/SY)
Arterial Section: 100' ROW, 2 - 24' B-B, 10" reinforced concrete with 8" lime subgrade (36#/SY), no sidewalk, no street lights

2 This estimate assumes that the developer will be responsible for building half of McCormick Road assumed at 60% of the full roadway construction cost.

3 Estimate does not include road signalization. Additional pavement markings and traffic signs may also be required.

4 Street paving costs for master infrastructure include reinforced concrete pavement, subgrade preparation, hydrated lime, street lights, sidewalks, barrier free ramps, striping/markings, street signs, road excavation, erosion control, seeding, conduit crossings, and storm infrastructure. This estimate assumes that a 36" RCP pipe will be required along the length of the master streets, with 21" RCP laterals, 10' inlets, and 4' manholes spaced accordingly.

5 This estimate assumes McCormick Road's ultimate section will match that of Shahan Prairie Road (east of FM 720). The paving section includes 2 – 24" concrete lanes without sidewalks on either side or street lights. This estimate assumes that the developer is only required to build half of the ultimate section along boundary frontage.

MISCELLANEOUS

1 Cost to relocate existing franchise lines are not included.

2 Off-site easement and Right-of-Way acquisition is assumed to be a responsibility of the Developer and is not included in this estimate.

3 This estimate does not include USPS mailbox clusters.

LANDSCAPING

1 This estimate includes costs for detention pond fencing (tubular steel), arterial road screening (masonry), and wood fencing around the boundary. Other Hardscape/Landscape/Amenity costs are not included in this estimate.

2 Costs for an amenity center are not contemplated in this estimate.

DEVELOPMENT

1 This estimate does not include land cost, land maintenance, interest, HOA support, legal, financing, marketing, etc.

2 This estimate includes professional fees for District Creation & Organization based on a percentage of the total infrastructure costs for sanitary sewer, storm sewer, water, and paving. Excavation, retaining wall, and miscellaneous infrastructure costs are not included in the basis for district creation and organization.

3 The municipal and jurisdictional fees listed have been generated based on researched information published by The City of Oak Point. This estimate holds the following fee assumptions:

Applicable & Included	Potentially Applicable & Excluded	Not Applicable
Preliminary Plat fee	Engineering Plan review fees (other jurisdictions)	TCEQ review fee
Final Plat application fee (City)	Plat filing fees	Floodplain Development fee (City)
Engineering Plan review fees (City)	Tax Certificate fees	
City Inspection fees (Water, Sewer, Paving, Storm)	Impact fees, assessments, or credits	
District fees	Early Grading fees	
	Park fees (City) – see notes	
	Urban Forestry Permit fees	
	Community Facility Agreement fees	
	MUD Engineer review fees	
	Zoning/Rezoning fee	

4 Planning/Entitlement fees do not include any additional sub-consultants outside of LJA Engineering's services.

5 This estimate does not include Park Fees or similar City of Oak Point costs.

6 This estimate does not include fees for pro rata or face foot costs to connect to existing water or sewer infrastructure.

7 This estimate does not include costs for infrastructure and/or participation required by development agreements.

8 This estimate does not include FEMA application fees.

9 This estimate does not include costs for permitting and mitigating development within the limits of those jurisdictional features regulated by the USACE.

10 Professional fees for engineering and surveying are assumed as 10% of projected construction costs.

11 This estimate does not include professional fee assumptions to prepare a flood study or revise floodplain maps.

12 This estimate includes professional fee assumptions for geotechnical testing and reports.

13 This estimate does not include professional fee assumptions for environmental reports, wetlands determination, and permitting of the removal and mitigation of jurisdictional features.

14 This estimate does not include professional fee assumptions for tree survey or tree mitigations.

15 This estimate assumes gas and electric franchise utilities will be provided at a cost of $1,000/lot.

16 Aerial imagery and google earth streetview dated Oct 2018 indicate the presence of gas markers parallel to and on the west side of FM 720. This estimate assumes no utility crossings of these lines and no additional mitigative measures will be required for road crossings.

RESIDENTIAL - 50' LOTS

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
A. EXCAVATION				$956,140.00
CLEARING AND GRUBBING	ACRE	33.4	$1,250.00	$41,750.00
UNCLASSIFIED EXCAVATION	CY	101000	$2.75	$277,750.00
MOISTURE COND (40'x80' PAD) - 6 FEET DEEP	LOT	173	$2,800.00	$484,400.00
MOISTURE CONDITIONING POLY	LOT	173	$500.00	$86,500.00
ROUGH LOT GRADING	LOT	173	$230.00	$39,790.00
FINAL LOT GRADING	LOT	173	$150.00	$25,950.00
B. SANITARY SEWER SYSTEM			$4,350.00	$752,550.00
C. STORM SEWER SYSTEM			$4,500.00	$778,500.00
D. WATER DISTRIBUTION SYSTEM			$3,950.00	$683,350.00
E. STREET PAVING			$8,000.00	$1,384,000.00
F. RETAINING WALLS			$3,550.00	$614,150.00
G. MISCELLANEOUS ITEMS			$1,050.00	$181,650.00
SUB - TOTAL RESIDENTIAL				**$5,350,340.00**
LOT COUNT:	*173*		*COST / LOT:*	*$31,000.00*
NET DEVELOPED ACREAGE:	*33.4*		*COST / DEVELOPED ACRE:*	*$160,500.00*

RESIDENTIAL - 60' LOTS

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
A. EXCAVATION				$1,334,025.00
CLEARING AND GRUBBING	ACRE	50.	$1,250.00	$62,500.00
UNCLASSIFIED EXCAVATION	CY	151100	$2.75	$415,525.00
MOISTURE COND (50'x80' PAD) - 6 FEET DEEP	LOT	200	$3,300.00	$660,000.00
MOISTURE CONDITIONING POLY	LOT	200	$600.00	$120,000.00
ROUGH LOT GRADING	LOT	200	$230.00	$46,000.00
FINAL LOT GRADING	LOT	200	$150.00	$30,000.00
B. SANITARY SEWER SYSTEM			$5,100.00	$1,020,000.00
C. STORM SEWER SYSTEM			$5,250.00	$1,050,000.00
D. WATER DISTRIBUTION SYSTEM			$4,600.00	$920,000.00
E. STREET PAVING			$9,400.00	$1,880,000.00
F. RETAINING WALLS			$4,150.00	$830,000.00
G. MISCELLANEOUS ITEMS			$1,250.00	$250,000.00
SUB - TOTAL RESIDENTIAL				**$7,284,025.00**
LOT COUNT:	*200*		*COST / LOT:*	*$36,500.00*
NET DEVELOPED ACREAGE:	*50.0*		*COST / DEVELOPED ACRE:*	*$146,000.00*

H. DEVELOPMENT FEES

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
MUNICIPALITY, JURISDICTIONAL & OTHER FEES				
WATER/SEWER INSPECTION & TESTING FEE (B & D)	PERCENT	2%	$3,375,900.00	$67,600.00
T/PW INSPECTION & TESTING FEE (C, E, & G)	PERCENT	2%	$5,524,150.00	$110,500.00
PRELIMINARY PLAT APPLICATION FEE	LS	1	$3,622.50	$3,622.50
FINAL PLAT APPLICATION FEE	EA	1	$3,222.50	$3,222.50
PROFESSIONAL FEES				
ENGINEERING/SURVEYING (A-G)	PERCENT	10.0%	$12,634,365.00	$1,263,500.00
FINAL GEOTECHNICAL REPORT & TESTING	LOT	373	$1,000.00	$373,000.00
PLANNING/ENTITLEMENT FEES	LOT	373	$300.00	$111,900.00
FRANCHISE FEES				
GAS DISTRIBUTION FEE	LOT	373	$1,000.00	$373,000.00
ELECTRIC DISTRIBUTION FEE	LOT	373	$1,000.00	$373,000.00
SUB - TOTAL DEVELOPMENT FEES				**$2,679,345.00**

SUMMARY

A. EXCAVATION				$2,290,165.00
B. SANITARY SEWER SYSTEM				$1,772,550.00
C. STORM SEWER SYSTEM				$1,828,500.00
D. WATER DISTRIBUTION SYSTEM				$1,603,350.00
E. STREET PAVING				$3,264,000.00
F. RETAINING WALLS				$1,444,150.00
G. MISCELLANEOUS ITEMS				$431,650.00
H. DEVELOPMENT FEES				$2,679,345.00
SUB-TOTAL:				*$15,313,710.00*
CONTINGENCIES:			*10%*	*$1,531,371.00*
TOTAL CONSTRUCTION COSTS:				**$16,845,081.00**
LOT COUNT:	*373*	*COST / LOT:*		*$45,500.00*
NET DEVELOPED ACREAGE:	*83.4*	*COST / DEVELOPED ACRE:*		*$202,000.00*
TOTAL GROSS ACREAGE:	*112.5*	*COST / GROSS ACRE:*		*$150,000.00*

A. EXCAVATION

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
DETENTION POND EXCAVATION	CY	50000	$2.75	$137,500.00
DETENTION POND OUTFALL STRUCTURE	EA	2	$50,000.00	$100,000.00
POND BASIN DIVERSION EXCAVATION	CY	200000	$2.75	$550,000.00
SUB - TOTAL EXCAVATION				**$787,500.00**

B. SANITARY SEWER SYSTEM

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
ONSITE SS ALLOWANCE	LS	1	$800,000.00	$800,000.00
OFFSITE SS ALLOWANCE	LS	1	$200,000.00	$200,000.00
SUB - TOTAL SANITARY SEWER SYSTEM				**$1,000,000.00**

C. STORM SEWER SYSTEM

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
RETAIL TRACT STORM PREMIUM (42" RCP)	LF	1870	$170.00	$317,900.00
SUB - TOTAL STORM SEWER SYSTEM				**$317,900.00**

D. WATER DISTRIBUTION SYSTEM

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
12" WATERLINE	LF	4550	$126.00	$573,300.00
12" WATER LINE BY BORE	LF	120	$300.00	$36,000.00
24" STEEL ENCASEMENT	LF	120	$140.00	$16,800.00
SUB - TOTAL WATER DISTRIBUTION SYSTEM				**$626,100.00**

E. STREET PAVING

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
RIGHT TURN DECELARATION LANES	EA	4	$100,000.00	$400,000.00
LEFT TURN LANE ALLOWANCE	EA	1	$200,000.00	$200,000.00
RESIDENTIAL STREET PAVEMENT (50' ROW)	LF	900	$350.00	$315,000.00
DIVIDED ENTRY ROAD PREMIUMS	LF	400	$75.00	$30,000.00
McCORMICK ROAD HALF SECTION	LF	1175	$414.00	$486,450.00
SUB - TOTAL STREET PAVING				**$1,431,450.00**

F. RETAINING WALLS

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
7' RETAINING WALL	LF	1300	$143.00	$185,900.00
SUB - TOTAL RETAINING WALLS				**$185,900.00**

G. MISCELLANEOUS ITEMS

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
WOOD FENCE SCREENING	LF	7000	$75.00	$525,000.00
TUBULAR STEEL SCREENING	LF	1950	$60.00	$117,000.00
MASONRY SCREENING	LF	1690	$150.00	$253,500.00
SUB - TOTAL MISCELLANEOUS ITEMS				**$895,500.00**

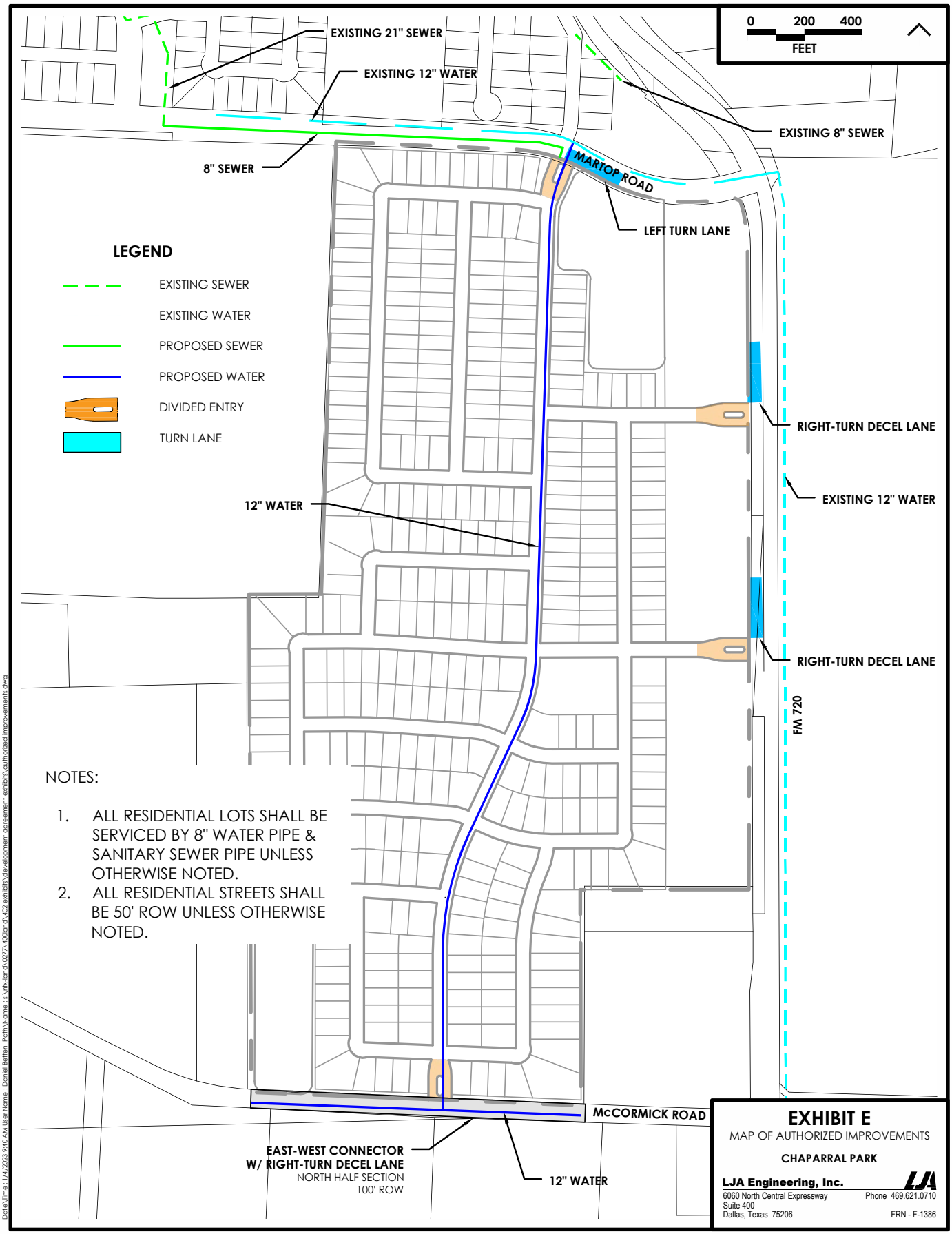
H. DEVELOPMENT FEES

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
MUNICIPALITY, JURISDICTIONAL & OTHER FEES				
WATER/SEWER INSPECTION & TESTING FEE (B & D)	PERCENT	2%	$1,626,100.00	$32,600.00
T/PW INSPECTION & TESTING FEE (C, E, & G)	PERCENT	2%	$2,644,850.00	$52,900.00
PROFESSIONAL FEES				
ENGINEERING/SURVEYING (A-G)	PERCENT	10.0%	$5,244,350.00	$524,500.00
DISTRICT CREATION & ORGANIZATION	PERCENT	5%	$11,843,850.00	$592,200.00
SUB - TOTAL DEVELOPMENT FEES				**$1,202,200.00**

SUMMARY

A. EXCAVATION				$787,500.00
B. SANITARY SEWER SYSTEM				$1,000,000.00
C. STORM SEWER SYSTEM				$317,900.00
D. WATER DISTRIBUTION SYSTEM				$626,100.00
E. STREET PAVING				$1,431,450.00
F. RETAINING WALLS				$185,900.00
G. MISCELLANEOUS ITEMS				$895,500.00
H. DEVELOPMENT FEES				$1,202,200.00
SUB-TOTAL:				*$6,446,550.00*
CONTINGENCIES:			*10%*	*$644,655.00*
TOTAL CONSTRUCTION COSTS:				**$7,091,205.00**
LOT COUNT:	*373*	*COST / LOT:*		*$19,500.00*
NET DEVELOPED ACREAGE:	*112.5*	*COST / DEVELOPED ACRE:*		*$63,500.00*
TOTAL GROSS ACREAGE:	*112.5*	*COST / GROSS ACRE:*		*$63,500.00*

Exhibit E
Map of Authorized Improvements


0 200 400
FEET
EXISTING 21" SEWER
EXISTING 12" WATER
EXISTING 8" SEWER
8" SEWER
MARTOP ROAD
LEFT TURN LANE
LEGEND
EXISTING SEWER
EXISTING WATER
PROPOSED SEWER
PROPOSED WATER
DIVIDED ENTRY
TURN LANE
RIGHT-TURN DECEL LANE
EXISTING 12" WATER
12" WATER
RIGHT-TURN DECEL LANE
FM 720
NOTES:
1. ALL RESIDENTIAL LOTS SHALL BE SERVICED BY 8" WATER PIPE & SANITARY SEWER PIPE UNLESS OTHERWISE NOTED.
2. ALL RESIDENTIAL STREETS SHALL BE 50' ROW UNLESS OTHERWISE NOTED.
McCORMICK ROAD
EAST-WEST CONNECTOR
W/ RIGHT-TURN DECEL LANE
NORTH HALF SECTION
100' ROW
12" WATER
EXHIBIT E
MAP OF AUTHORIZED IMPROVEMENTS
CHAPARRAL PARK
LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386

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APPENDIX G

FORM OF IMPROVEMENT AREA #1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

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CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

THIS CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this "Agreement"), dated as of September 25, 2024, is by and between the **CITY OF OAK POINT, TEXAS**, a home-rule municipality of the State of Texas (the "City"), and **BLOOMFIELD HOMES, L.P.**, a Texas limited partnership (the "Developer").

ARTICLE I
DEFINITIONS

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

"Act" means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

"Actual Costs" means the costs of the Improvement Area #1 Improvements actually paid or incurred for construction and installation of the Improvement Area #1 Improvements in accordance with the Service and Assessment Plan.

"Administrator" means, initially, P3 Works, LLC, or any other individual or entity designated by the City to administer the District.

"Annual Service Plan Update" means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan and approved by ordinance adopted by the City.

"**Assessments**" shall have the meaning given to it in the Indenture.

"Authorized Improvements" means improvements authorized by Section 372.003(b) of the Act.

"Bond Ordinance" means the ordinance adopted by the City Council on September 25, 2024 authorizing the issuance of the Bonds pursuant to the Indenture.

"Bonds" means the City's bonds designated "City of Oak Point, Texas, Special Assessment Revenue Bonds, Series 2024 (Chaparral Park Public Improvement District Improvement Area #1 Project)".

"Budgeted Costs" means the anticipated, agreed upon costs of the Improvement Area #1 Improvements as shown in Exhibit B of the Service and Assessment Plan.

"Certification for Payment" means a certificate, substantially in the form of **Exhibit B** hereto or such other form agreed to by the Developer, the Administrator and the City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, provided no more frequently than once per each month to the City Representative and the Trustee, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment for Actual Costs of Improvement Area #1 Improvements under the Indenture.

"City Inspector" means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

"City Manager" means the City Manager of the City, or its designee.

"City Representative" means the City Manager, or any other official or agent of the City later authorized by the City to undertake the action referenced herein.

"Closing Disbursement Request" means the certificate, substantially in the form of **Exhibit A** hereto or such other form agreed to by the Developer, Administrator, and City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, specifying the amounts to be disbursed for the costs related to the creation of the District.

"Construction Contracts" means the contracts for the construction of an Improvement Area #1 Improvement. "Construction Contract" means any one of the Construction Contracts.

"Costs" means the Budgeted Costs or the Actual Costs of an Improvement Area #1 Improvement as reflected in a Construction Contract, if different than the Budgeted Costs.

"Costs of Issuance Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"Cost Overrun" means, with respect to each Improvement Area #1 Improvement, the Actual Cost, as appropriate, of such Improvement Area #1 Improvement in excess of the Budgeted Cost.

"Cost Underrun" has the meaning assigned such term in Section 4.04 hereof

"Development Agreement" means that certain Chaparral Park Development Agreement between the City and the Developer, effective as of December 22, 2022, as amended by that First Amendment to Chaparral Park Development Agreement effective July 7, 2023 and that Second Amendment to Chaparral Park Development Agreement effective August 23, 2023, and as the same may be further amended from time to time.

"District" shall mean the Chaparral Park Public Improvement District created April 30, 2024.

"Final Completion" means completion of an Improvement Area #1 Improvement in compliance with existing City standards for dedication under the City's ordinances and the Development Agreement.

"Improvement Area #1" means the initial improvement area to be developed and generally shown in Exhibit A-2 to the Service and Assessment Plan, as specifically depicted and described as the sum of all parcels shown in Exhibit F-1 to the Service and Assessment Plan.

"Improvement Area #1 Improvements" mean the Authorized Improvements which only benefit Improvement Area #1, which are described in Section III.A of the Service and Assessment Plan.

"Improvement Area #1 Improvements Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"Indenture" means that certain Indenture of Trust between the City and Wilmington Trust, National Association, as trustee, dated as of October 1, 2024 relating to the Bonds.

"Plans" means the plans, specifications, schedules and related construction contracts for the Improvement Area #1 Improvements, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the City, the Development Agreement, and any other applicable governmental entity.

"Project Fund" means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

"Service and Assessment Plan" means the Chaparral Park Public Improvement District Service and Assessment Plan adopted by a City ordinance on September 25, 2024 by the City Council, prepared pursuant to the Act.

ARTICLE II
RECITALS

Section 2.01. The District and the Improvement Area #1 Improvements.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Improvement Area #1 Improvements.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, the proceeds of which Bonds shall be used, in part, to finance a portion of the Improvement Area #1 Improvements in accordance with the terms and limitations of the Indenture, the Development Agreement, this Agreement, and the Service and Assessment Plan.

(c) All Improvement Area #1 Improvements are eligible to be financed with proceeds of the Bonds and the Assessments to the extent specified herein.

(d) The proceeds from the issuance and sale of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Improvement Area #1 Improvements for acquisition and acceptance by the City, in accordance with the terms and conditions contained in the Development Agreement and this Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III
FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) The projects to be financed in part with the proceeds of the Bonds are the Improvement Area #1 Improvements. The payment of Costs from the proceeds of the Bonds for such Improvement Area #1 Improvements shall be made from the Improvement Area #1 Improvements Account of the Project Fund established under the Indenture.

(c) The City's obligation with respect to the payment of the Costs of the Improvement Area #1 Improvements shall be limited to the lesser of the Actual Costs or Budgeted Costs, and shall be payable solely from amounts on deposit for the payment of such Costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns and all expenses related to the Improvement Area #1 Improvements, qualified, however, by the distribution of Cost Underrun monies, as detailed in Section 4.04.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Improvement Area #1 Improvements shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Improvement Area #1 Improvements required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

Section 3.02 Funds and Accounts. All disbursements from the Improvement Area #1 Improvements Account of the Project Fund shall be made by the City in accordance with provisions of the Development Agreement, the Service and Assessment Plan, this Agreement and the Indenture.

ARTICLE IV
CONSTRUCTION OF THE IMPROVEMENT AREA #1 IMPROVEMENTS

Section 4.01. Duty of Developer to Construct.

(a) All Improvement Area #1 Improvements shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Improvement Area #1 Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Improvement Area #1 Improvements, to be acquired and accepted by the City, from the Developer as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Improvement Area #1 Improvement and, upon completion, inspection, and acceptance, convey each such Improvement Area #1 Improvement to the City, in accordance with the terms hereof, even if there are insufficient funds in the Project Fund or other funds or account created under the Indenture to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Improvement Area #1 Improvements required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Improvement Area #1 Improvements shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City with respect to the Improvement Area #1 Improvements.

Section 4.04. Remaining Funds After Completion of an Improvement Area #1 Improvement. Upon the Final Completion of any Improvement Area #1 Improvement (or any segment or section thereof) and payment of all outstanding invoices for such Improvement Area #1 Improvement (or segment or section thereof), if the Actual Cost of such Improvement Area #1 Improvement (or segment or section thereof) is less than the Budgeted Cost of such Improvement Area #1 Improvement (a "Cost Underrun"), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Improvement Area #1 Improvement, including Improvement Area #1 Improvements in a different improvement category shown in the Service and Assessment Plan. Any Cost Underrun for any Improvement Area #1 Improvement is available to pay Cost Overruns on any other Improvement Area #1 Improvement. If, upon Final Completion of all Improvement Area #1 Improvements in any improvement category, there are funds remaining in any improvement categories, those funds can then be used to reimburse the Developer for any qualifying costs of Improvement Area #1 Improvements that have not been previously paid.

The Administrator shall confirm that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative shall promptly agree on how to apply such moneys to the costs of other Improvement Area #1 Improvements. The use of such moneys shall be included in the next Annual Service Plan Update.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as "change orders") required for the construction of the Improvement Area #1 Improvements. Developer or its contractors may approve and implement any change orders, even if such change order would increase the Cost of an Improvement Area #1 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 4.04. If any change order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City's engineer prior to execution of the change order.

ARTICLE V
ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Payment Requests for Disbursements at Closing. In order to receive the disbursement from the Costs of Issuance Account of the Project Fund or the Improvement Area #1 Improvements Account of the Project Fund at closing of the Bonds, related to costs of issuance of the Bonds or costs incurred in the creation of the District, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise acceptable and

agreed to by the City, to be delivered to the City no less than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. In order to receive the disbursement for an Improvement Area #1 Improvement from the Improvement Area #1 Improvements Account of the Project Fund at closing of the Bonds, the Developer shall execute a Certification for Payment, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the City, to be delivered to the City no later than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. Upon approval by the City, the City shall submit a Closing Disbursement Request or a Certification for Payment, as applicable, to the Trustee for disbursement to be made from the Costs of Issuance Account of the Project Fund or the Improvement Area #1 Improvements Account of the Project Fund, as applicable.

Section 5.02. Certification for Payment for an Improvement Area #1 Improvement.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Improvement Area #1 Improvement until a Certification for Payment is received from the Developer. Upon receipt of a Certification for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation required by the City) from the Developer, the City Inspector shall conduct a review in order to confirm that such request is complete, that the work with respect to such Improvement Area #1 Improvement identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certification for Payment (collectively, the "Developer Compliance Requirements"). The City Inspector and/or the City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the City Inspector and/or City Representative in conducting each such review and to provide the City Inspector and/or City Representative with such additional information and documentation as is reasonably necessary for the City Inspector and/or City Representative to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Certification for Payment, the City Representative shall either (i) approve and execute the Certification for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the City Representative disapproves the Certification for Payment, give written notification to the Developer of the City Representative's disapproval, in whole or in part, of such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the City Representative shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the Administrator

for approval in accordance with Section 5.03 hereof and delivery to the Developer in accordance with Section 5.02(c) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial denial.

(c) If the City Representative denies the Certification for Payment, the denial must be in writing, stating the reason(s) for denial. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial of the Certification for Payment by the City Council shall be attempted to be resolved by half-day mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator's fee being paid by Developer. The Certification for Payment shall not be forwarded to the Trustee for payment until the dispute is resolved by the City and the Developer.

(d) The Developer shall deliver the approved or partially approved Certification for Payment to the Trustee for payment and the City shall direct the Trustee to make such payment from the Project Fund in accordance with Section 5.03 below.

Section 5.03. Payment for Improvement Area #1 Improvement.

(a) Upon receipt of a reviewed and approved Certification for Payment, the Trustee shall make payment from the Improvement Area #1 Improvements Account of the Project Fund pursuant to the terms of the Certification for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular Improvement Area #1 Improvement, unless a Cost Overrun amount has been approved for a particular Improvement Area #1 Improvement. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, the City shall direct the Trustee to make payment directly to the general contractor or supplier of materials or services or jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certification for Payment, out of available and appropriate funds in the Project Fund. If the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such Improvement Area #1 Improvement identified in such request for payment being paid, then the City shall direct the Trustee to hold the payment until work with respect to that Improvement Area #1 Improvement has been completed and accepted by the City. If an unconditional lien release related to the items referenced in the Certification for Payment is attached to such Certification for Payment, the City shall direct the Trustee to make such payment to the Developer or any permitted assignee of the Developer. In the event the Developer provides a general contractor's or supplier of materials' unconditional lien release for a portion of the work covered by a Certification for Payment, the

City shall direct the Trustee to make such payment directly to the Developer or any permitted assignee of the Developer to the extent of such lien release.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Improvement Area #1 Improvement to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Improvement Area #1 Improvement is contested, the Developer shall post or cause delivery of a surety bond in the amount determined by the City or City may decline to accept the Improvement Area #1 Improvements until such mechanics or materialman's lien and/or judgment is satisfied.

ARTICLE VI
OWNERSHIP AND TRANSFER OF IMPROVEMENT AREA #1 IMPROVEMENT

Section 6.01. Improvement Area #1 Improvement to be Owned by the City– Title Evidence. If required by the City, the Developer shall furnish to the City a preliminary title report for land with respect to an Improvement Area #1 Improvement to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City for review and approval at least thirty (30) calendar days prior to the transfer of title of an Improvement Area #1 Improvement to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Improvement Area #1 Improvement until the Developer has cured such objections to title to the satisfaction of the City.

Section 6.02. Improvement Area #1 Improvement Constructed on City Land or Developer Land. If the Improvement Area #1 Improvement is on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Improvement Area #1 Improvement. If the Improvement Area #1 Improvement is on land owned by the Developer, the Developer hereby grants to the City an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Improvement Area #1 Improvement. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the City title to property and/or easements related to the Improvement Area #1 Improvement as required by the Development Agreement or as should in the City's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Improvement

Area #1 Improvement. The provisions for inspection and acceptance of such Improvement Area #1 Improvement otherwise provided herein shall apply.

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer is a limited partnership duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and the Development Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the Improvement Area #1 Improvements in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Improvement Area #1 Improvements.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition construction or installation of any improvements that are not part of the Costs associated with the Improvement Area #1 Improvements, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

(f) Financial Records. For a period of two years after completion of the Improvement Area #1 Improvements, the Developer covenants to maintain proper books of record and account for the construction of the Improvement Area #1 Improvements and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Improvement Area #1 Improvements have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, this Agreement and the Development Agreement. Developer shall provide as-built plans for all Improvement Area #1 Improvements to the City.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the City Manager and the City Representative related to the status of construction of the Improvement Area #1 Improvements within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement of the Developer executed by the Developer in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the "Tax Certificate") containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, "Bond Proceeds").

The Developer covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquires to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including, but not limited to, the use of the Improvement Area #1 Improvements) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE CITY INSPECTOR, THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING, AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE IMPROVEMENT AREA #1 IMPROVEMENTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE IMPROVEMENT AREA #1 IMPROVEMENTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE IMPROVEMENT AREA #1 IMPROVEMENTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE IMPROVEMENT AREA #1 IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE IMPROVEMENT AREA #1 IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, THE CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY THE DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY THE CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST;

HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF THE DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF THE DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. THE DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF THE DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND THE DEVELOPER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Improvement Area #1 Improvements, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Improvement Area #1 Improvements is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer is or may be substantially increased or otherwise adversely affected in any manner, or (c) the rights of the Developer is or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

ARTICLE VIII
TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Improvements not accepted by

the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of an Improvement Area #1 Improvement hereunder, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to the Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the City Inspector and other appropriate City staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the Improvement Area #1 Improvements. Such options may include, but not be limited to, the termination of this Agreement by the City. If the City elects to terminate this Agreement, the City shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) of the grounds for such termination and allow the Developer a minimum of 45 days to eliminate or to mitigate to the satisfaction of the City the grounds for such termination. Such period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the City, the City may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work accepted by the City related to an Improvement Area #1 Improvement only as provided for under the terms of the Indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the City to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the City may in its discretion cause the Trustee to cease making payments for the Actual Costs of Improvement Area #1 Improvements, provided that the Developer shall receive payment of the Actual Costs of any Improvement Area #1 Improvements that were accepted by the City at the time of the occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Improvements not accepted by the City and use all or any portion of the funds on deposit in the Project Fund or

other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Improvement Area #1 Improvements hereunder, except as otherwise may be provided upon the mutual written consent of the City and the Developer. The City shall have no obligation to perform any work related to an Improvement Area #1 Improvement or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture.

Section 8.04. Construction of the Improvement Area #1 Improvements Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Improvement Area #1 Improvements in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) ("Force Majeure"), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.05 shall not apply unless, upon the occurrence of an event of Force Majeure, the party needing additional time to perform notifies the other party of the event of Force Majeure and the amount of additional time reasonably required within ten (10) business days of the occurrence of the event of Force Majeure.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the City Inspector, City Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The City Inspector, City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days'

prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Improvement Area #1 Improvements and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	City of Oak Point, Texas Attn: City Manager 100 Naylor Road Oak Point, Texas 75068
With a copy to:	Brown & Hofmeister, L.L.P. Attn: Jeff Moore 740 East Campbell Road, Suite 800 Richardson, Texas 75081
And to:	Norton Rose Fulbright US LLP Attn: Robert Dransfield 2200 Ross Ave., Suite 3600 Dallas, Texas 75201
To Developer:	Bloomfield Homes, L.P. Donald J. Dykstra, President 1900 W. Kirkwood Blvd, Suite 2300B Southlake, TX 76092
With a copy to:	Locke Lord LLP Attn: Drew Slone 2200 Ross Ave., Suite 2800 Dallas, Texas 75201

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The City shall advise the Developer of the name and address of any person who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Manager, except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for an Improvement Area #1 Improvement, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Improvement Area #1 Improvement. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the City being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. In connection with any consent of the City, the City may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee's express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the City deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned. The City may assign by a separate writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. This Agreement may be amended upon agreement of the parties, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13. Term. The term of this Agreement, other than the provisions contained in Section 7.02, which shall survive the termination of this Agreement, shall be thirty (30) years or upon redemption or defeasance of the Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture. If the Developer defaults under this Agreement or the Development Agreement, this Agreement and the Development Agreement shall not terminate with respect to the Costs of the Improvement Area #1 Improvements that have been approved by the City pursuant to a Certification for Payment prior to the date of default.

Section 9.14 No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.15. Statutory Verifications. The Developer makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

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

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

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

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

[Execution pages to follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of September 25, 2024.

CITY OF OAK POINT, TEXAS

By: _____
Dena Meek
Mayor

ATTEST:

_____
Joni Vaughn
City Secretary

(City Seal)

DEVELOPER:

BLOOMFIELD HOMES, L.P.,
a Texas limited partnership

By: Bloomfield Properties, Inc.,
a Texas corporation, its General Partner

By:_____
Donald J. Dykstra, President

Exhibit A

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for Bloomfield Homes, L.P. (the "Developer") and requests payment from:

[the Costs of Issuance Account of the Project Fund][the Improvement Area #1 Improvements Account of the Project Fund] (as defined in the Chaparral Park Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement) from Wilmington Trust, National Association (the "Trustee") in the amount of _____ DOLLARS ($_____) for costs incurred in the establishment, administration, and operation of the Chaparral Park Public Improvement District (the "District"), as follows:

Closing Costs Description	**Cost**	**PID Allocated Cost**
TOTAL		

In connection to the above referenced payments, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.

3. The amount listed for the above itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Chaparral Park Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture (as defined in the Chaparral Park Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement) for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

a. X amount to Person or Account Y for Z goods or services.

b. Etc.

I hereby declare that the above representations and warranties are true and correct.

BLOOMFIELD HOMES, L.P.

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the Costs of Issuance Account of the Project Fund or the Improvement Area #1 Improvements Account of the Project Fund, as applicable, upon delivery of the Bonds. The City's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the City from asserting claims under the Chaparral Park Public Improvement District Improvement Area #1 Construction, Funding and Acquisition Agreement, the Development Agreement, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in an Improvement Area #1 Improvement.

CITY OF OAK POINT, TEXAS

By: _____

Name: _____
Title: _____
Date: _____

Exhibit B

CERTIFICATION FOR PAYMENT FORM – IMPROVEMENT AREA #1 IMPROVEMENTS

CERTIFICATION FOR PAYMENT NO. _____

The undersigned is a lawfully authorized representative for Bloomfield Homes, L.P. (the "Developer") and requests payment from the Improvement Area #1 Improvements Account of the Project Fund from Wilmington Trust, National Association (the "Trustee") in the amount of _____ for labor, materials, fees, and/or other general costs related to the construction and installation of the following Improvement Area #1 Improvements related to the Chaparral Park Public Improvement District:

[insert specific Improvement Area #1 Improvement this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Chaparral Park Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement.

In connection with this Certification for Payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certification for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested herein for the Improvement Area #1 Improvement(s) has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The itemized amounts listed for the Improvement Area #1 Improvement(s) below are a true and accurate representation of the Actual Costs incurred by Developer with the construction and installation of said Improvement Area #1 Improvement(s) identified above, and such costs are (i) in compliance with the Chaparral Park Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, and (ii) consistent with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Chaparral Park Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The work with respect to the Improvement Area #1 Improvement(s) identified above (or its completed segment, portion or segment) has been completed and the City has inspected or may begin inspection of the Improvement Area #1 Improvement(s). If this request for payment results in ninety percent (90%) or more of the Budgeted Costs for the Improvement Area #1 Improvement(s) identified above being paid, then the work with respect to the Improvement Area #1 Improvement(s) have been completed and the City has inspected AND accepted the Improvement Area #1 Improvement(s).

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

Payee / Description of Improvement Area #1 Improvement	**Total Cost of Improvement Area #1 Improvement**	**Budgeted Cost of Improvement Area #1 Improvement**	**Amount to be paid from Improvement Area #1 Improvements Account of the Project Fund**

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments or Actual Costs incurred.

Pursuant to the Chaparral Park Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, after receiving this Payment Request, the City is authorized to inspect the Improvement Area #1 Improvement (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

I hereby declare that the above representations and warranties are true and correct.

BLOOMFIELD HOMES, L.P.

By:_____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the City approves the Certification for Payment and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the appropriate Project Fund account. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Chaparral Park Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in the Improvement Area #1 Improvements.

CITY OF OAK POINT, TEXAS

By: _____

Name: _____
Title: _____
Date: _____

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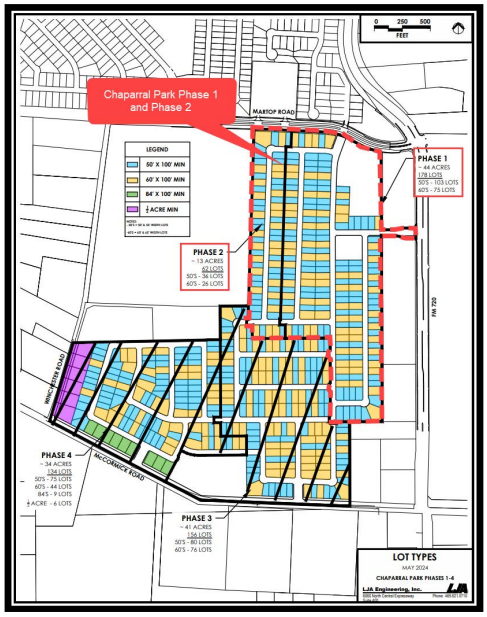
APPENDIX H

APPRAISAL

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APPRAISAL REPORT

PROJECT # A24-0506-01



CHAPARRAL PARK PUBLIC IMPROVEMENT DISTRICT
56.936 ACRES CONTAINING 241 PROSPECTIVE RESIDENTIAL LOTS IN PHASE 1 AND PHASE 2
OAK POINT, DENTON COUNTY, TX 75068

FOR:

FMSBONDS, INC.
5 COWBOYS WAY, SUITE 300-25
75068, FRISCO, TEXAS 75034

EFFECTIVE DATE OF APPRAISAL:
OCTOBER 1, 2025 (DATE OF SUBSTANTIAL COMPLETION) FOR 241 RESIDENTIAL LOTS

PREPARED BY:
JAMES L. MAIBACH, CPM, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER,
LESLIE TOLLIVER, STATE CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER,
BROOKE CLOCK, LICENSED RESIDENTIAL REAL ESTATE APPRAISER, AND
BRANDON LAWSON, APPRAISER TRAINEE
OF:

PEYCO SOUTHWEST REALTY, INC.
1703 NORTH PEYCO DRIVE
ARLINGTON, TEXAS 76001

September 10, 2024

Mr. R.R "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
tdavenport@fmsbonds.com

SUBJECT: Prospective Market Value "Upon Completion" Appraisal
Chaparral Park Public Improvement District, Phase 1 and Phase 2
Oak Point, Denton County, Texas

Mr. Davenport,

At your request, we have inspected and appraised the above-referenced property. The purpose of the appraisal is to develop an opinion of prospective market value of the fee simple interest of the 241 residential lots located in Phase 1 and Phase 2 of the Chaparral Park Public Improvement District (referred to as Chaparral Park PID). Chaparral Park PID Phase 1 and Phase 2 has a total of 56.936-acres consisting of the following:

Prospective Market Value "Upon Completion" as of **October, 1 2025 for 241 detached residential improved lots on approximately 56.936 acres. The improved lots are as follows:**

- **82 lots with 50-foot frontages,**
- **57 lots with 55-foot frontages,**
- **65 lots with 60-front footages, and**
- **37 lots with 65-front footages**

The clients for the assignment are the City of Oak Point (the "City") and FMSbonds, Inc. The intended use is underwriting of a proposed Public Improvement District bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the "City", nor is it the basis of a determination of the benefit of any constructed or installed public improvements will have on properties within the Chaparral Park PID.

At Substantial Completion, which is forecast for October, 1 2025, the subject property is expected to consist of the infrastructure necessary to provide residential streets, drainage, and utilities to the individual lots within Phase 1 and Phase 2 of the Chaparral Park PID. The Chaparral Park PID comprises 131.705 acres. Development of the subject property is governed by a Development Agreement between the City of Oak Point and Bloomfield Homes, L.P., of which the Development Agreement allows single-family at the subject property. Each of the lots are located in Denton Independent School District (ISD).

Per the developer (Bloomfield Homes, L.P.), Chaparral Park PID Phase 1 and Phase 2 is comprised of a total of approximately 56.936 contiguous acres of land with a final estimated build-out of 82 detached single-family residential 50-foot frontage (FF) lots, 57 detached single-family residential 55-FF lots, 65 detached single-family residential 60-FF lots, and 37 detached single-family residential 65-FF lots totaling 241 improved residential lots located in Oak Point, Denton County, Texas. The subject property of this assignment - Chaparral Park PID Phase 1 and Phase 2 - will be developed in two phases.

Within Phase 1 and Phase 2, each of the 50-FF lot types will have a minimum of 5,000-square feet (SF), each of the 55-FF lot types will have an average of 5,500-SF, each of the 60-FF lot types will have an average of 6,000-SF, and each of the 65-FF lot types will have an average of 6,500-SF in size. The minimum lot depths for each of the 50-FF, 55-FF, 60-FF, and 65-FF lots of the subject property will be 100' in depth. The four lot types may have different market values with identical characteristics; however, the homebuilders and developer reflect different market values in their purchase contracts. We have considered any difference in market value based on lot depth is negligible, and other attributes, such as overall situs of the PID, are more important to the market value consideration of a single lot.

Chaparral Park PID will be developed in four phases. The breakdown of the subject property improved lots are as follows:

Chaparral Park PID					
Lot Type	***Phase 1***	***Phase 2***	***Phase 3***	***Phase 4***	***Total***
50-FF	61	21	43	43	168
55-FF	42	15	37	32	126
60-FF	52	13	44	28	137
65-FF	24	13	32	16	85
84-FF	0	0	0	9	9
1/2 - Acre	0	0	0	6	6
Total (All Phases)	**179**	**62**	156	134	531

The focus of our appraisal of the Chaparral Park PID for Phase 1 and Phase 2 are as follows:

Chaparral Park PID Phase 1 and Phase 2						
Area Type	**Size (Acres)**	**50' Lot Type**	**55' Lot Type**	**60' Lot Type**	**65' Lot Type**	**Total Lots Appraised**
Phase 1	*44.354*	*61*	*42*	*52*	*24*	*179*
Phase 2	*12.582*	*21*	*15*	*13*	*13*	*62*
Total	56.936	**82**	**57**	**65**	**37**	**241**

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **extraordinary assumptions** that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary assumptions are used in this assignment because the improved residential lots to be delivered by the dates utilized in this report are currently incomplete as of the report date.

- Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications provided by the engineering plans published by LJA Engineering, Inc as of February 2024, for 241 improved residential lots in Chaparral Park PID Phase 1 and Phase 2.
- All information relative to the property located within Chaparral Park PID including land areas, lot totals, lot sizes, and other pertinent data that was provided by Bloomfield Homes LP (Owner/Developer), LJA

Engineering, Inc (Professional Engineers and Surveyor), the City of Oak Point, and the Denton Central Appraisal District is assumed to be correct.

- The subject is proposed residential lots construction with an expected completion date of October, 1 2025; therefore, this report contains a prospective opinion of value. Considering this, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable global events that alter market conditions prior to the prospective Effective Date.

The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **hypothetical conditions** that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

- No Hypothetical Conditions are used in this report.

This appraisal report is intended to conform with the 2024-2025 Uniform Standards of Professional Appraisal Practice (USPAP) and applicable state appraisal regulations. To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our final value conclusion as of the Substantial Completion Date is as follows:

FINAL MARKET VALUE CONCLUSION CHAPARRAL PARK PID			
	Cost	***Sales***	***Income (Subdivision)***
Fee Simple Interest, Complete October 1, 2025	**N/A**	**N/A**	***$26,914,000 ($111,676/Lot)***
Phase 1 and Phase 2			
241 Improved Lots			

Attached is our Appraisal Report which summarizes the investigation and analyses undertaken in arriving at our value conclusion. Should you have any questions, please contact our office.

Respectfully submitted,

Peyco Southwest Realty



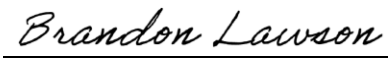
James L. Maibach, C.P.M
TX-1323658
State Certified General Real Estate Appraiser



Leslie Tolliver
TX-1361274
State Certified Residential Appraiser



Brooke Clock
TX-1350743
State Licensed Residential Appraiser



Brandon Lawson
TX-1343865
Appraiser Trainee
Practicing Affiliate, Appraisal Institute

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EXECUTIVE SUMMARY

Property Name	**Chapparal Park PID; Phase 1 and Phase 2**
Property Type	Master-Planned Community
Location	South side of Martop Road, west side of West FM 720
City, County, State, Zip	Oak Point, Denton County, TX 75068
Legal Descriptions (Denton CAD)	Multiple Legal Descriptions for Phase 1 and Phase 2
Owner of Record	Bloomfield Homes, L.P.
Census Tract	0201.31
Tax ID's – Denton Central Appraisal District	Multiple Tax ID's for Phase 1 and Phase 2
Total Land Area	57.354-AC - Total Land Area (Per Engineer)
Total Lots	82 50-FF Width Lots in Phase 1 and Phase 2
	57 55-FF Width Lots in Phase 1 and Phase 2
	65 60-FF Width Lots in Phase 1 and Phase 2
	37 65-FF Width Lots in Phase 1 and Phase 2
Topography	Gently Sloping
FEMA Flood Zones	Unshaded Zone X (outside the floodplain)
FEMA Panel	48121C0405G
FEMA Map Date	4/18/2011
Utilities	
Water	Mustang Special Utility District
Sewer	Mustang Special Utility District
Electric	Oncor
Natural Gas	Atmos
Zoning	PD-21; Planned Development
Future Land Use	Single-Family Residential Subdivision
Highest & Best Use	Single-Family Residential Subdivision
Final Value Conclusion	**$26,914,000 ($111,676/Lot) Effective Date of October 1, 2025, for 241 Improved Residential Lots in Phase 1 and Phase 2 on 56.936 Acres**
Exposure Period	6-12 Months
Marketing Period	6-12 Months
Date of Inspection	May 20, 2024
Dates of Valuation	October 1, 2025 for Phase 1 and Phase 2
Report Date	August 14, 2024

CERTIFICATION

We certify that, to the best of our knowledge and belief that:

(1) The statements of fact contained in this report are true and correct.

(2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

(3) We have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.

(4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

(5) Our compensation for completing this assignment is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.

(6) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

(7) Brandon Lawson has inspected the subject property. James L. Maibach, Leslie Tolliver, and Brooke Clock have not physically viewed the subject property. The values herein were developed and reported by James L. Maibach, Leslie Tolliver, Brooke Clock, and Brandon Lawson.

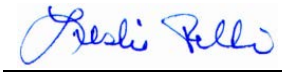
(8) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.

(9) None of the signatories have previously performed services as an appraiser or in any other capacity, other than that specifically stated, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.

(10) James L. Maibach, Leslie Tolliver, and Brooke Clock are not members of the Appraisal Institute. Brandon Lawson is a Practicing Affiliate of the Appraisal Institute and has completed the Standards and Ethics Education Requirement. The use of this report is subject to the requirements of the Appraisal Institute related to review by their duly authorized representatives.



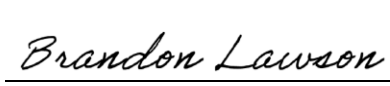
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SCOPE OF WORK

Scope of Work is defined by the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." Under the Scope of Work Rule, the appraiser must:

- Identify the problem to be solved;
- Determine and perform the scope of work necessary to develop credible assignment results; and
- Disclose the scope of work in the report.

The problem to be solved is:

- Determine the *Prospective Market Value* with a Substantial Completion Date of October, 1 2025 for the fee simple interest of 241 improved single-family residential lots in Phase 1 and Phase 2 of Chaparral Park PID as such.
  - 82 lots with 50-FF
  - 57 lots with 55-FF
  - 65 lots with 55-FF
  - 37 lots with 65-FF

The definition of market value[1] utilized herein is as follows:

Market Value is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite for a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[2]

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice, in a manner necessary to produce a credible result.

1 The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, Washington, D.C.: Appraisal Standards Board (2020-2021), DEFINITIONS

This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The value set forth herein was determined after consideration and appropriate application and analysis by three approaches to value i.e., the Cost Approach, the Income (Subdivision Development) Approach, and the Sales Comparison Approach.

As part of this appraisal, we completed a thorough investigation and analysis of the data considered pertinent to valuing the subject property.

Property Identification
The property has been identified using the following sources:

- Public records – Denton Central Appraisal District (DCAD)
- Legal descriptions
- Deed Records –Denton County
- Chaparral Park PID Lot Types Exhibit and Plat Maps by LJA Engineering, Inc, Professional Engineers

Type and Extent of Data Researched
The following information was reviewed in preparing this report:

- Public record data
- Flood plain maps
- Topographic maps
- Demographics – CoStar, ESRI, and US Census Bureau
- Market Conditions Data – S&P Case Schiller, CoreLogic, NTREIS, JLL, CBRE, Integra, CoStar, etc.
- Information provided by the client
- Lot Types Exhibit and Plat Maps from LJA Engineering, Inc, Professional Engineers
- Estimated development costs provided by LJA Engineering, Inc, the Professional Engineers
- Executed Contract between the seller, Bloomfield Homes, L.P., and DFH Coventry, LLC, the Buyer
- Executed Contract between the seller, Bloomfield Homes, L.P., and M/I Homes of DFW, LLC, the Buyer
- Conversations with developers and homebuilders in DFW market
- Executed HUD Settlement Statement dated February 15, 2023
- Development Agreement for Chaparral Park between the City of Oak Point and Bloomfield Homes L.P. dated December 22nd, 2022, as amended.

VALUATION METHODOLOGY
Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. A summary of each portion of the subject property that requires valuation is shown below:

- 241 Improved Single-Family Residential Lots (50-FF, 55-FF, 60-FF, and 65-FF) in Phase 1 and Phase 2

Improved Detached Single-Family Residential Lots in Phase 1 and Phase 2 (241 Improved Residential Lots)

Cost Approach
The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Cost figures are obtained from the developer and engineer and compared to cost figures on competing developments. A developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project. The subject property is being developed in four phases and there are no major improvements in place, *the Cost Approach is not the most appropriate and thus was not utilized* for the 241 Improved Residential Lots in Phase 1 and Phase 2.

Income (Subdivision Development) Approach

In the Income Capitalization Approach, the retail value of the residential lots is estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. Since sales of individual lots to an end-user homeowner is exceedingly rare in tract home subdivisions in this market, the value of an individual retail lot is effectively the same value of a portion of lots to a homebuilder because homebuilders tend to be the exclusive buyers of vacant developed lots from land developers. In addition, discussions with developers and homebuilders as well as review of contracts indicate that lots are typically received by the builders on a takedown schedule with annual price escalations of approximately 6% so the lots are not released in bulk to the home builders. The indicated value by the Income (Subdivision) Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problem to be solved in this assignment is to determine the bulk sale value of 241 improved residential lots, as of the date of Substantial Completion (Effective Date), *the Income (Subdivision Development) Approach is appropriate and was developed.*

Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed by the appraisers*. Use of the approaches for the valuation of the improved lots in Phase 1 and Phase 2 of the Chaparral Park PID is summarized on the following page:

Approach	*Applicability to Subject*	*Use in Assignment*
Cost Approach	*Not Appropriate in the Phase 1 and Phase 2 Portion of the Subject Property Since the Subject Property will be Developed in Four Phases*	*Not Utilized*
Income (Subdivision Development) Approach	*Appropriate in Determining Residential Subdivision Value*	*Utilized*
Sales Comparison Approach	*Aspects Used in Subdivision Valuation to Determine Retail Market Value of the 50-FF, 55-FF, 60- FF, and the 65-FF Lots*	*Partially Utilized*

COMPETENCY OF THE APPRAISER

James L. Maibach, C.P.M. is a State Certified General Real Estate Appraiser according to the Texas Appraiser Licensing and Certification Board and has appraised numerous properties similar to the subject since 1993. The appraiser also manages, through his commercial real estate management company, approximately 2.25 million SF of which 70% is industrial warehouse, 20% is Class B and C office and 10% in retail product in Tarrant, Dallas, and Johnson counties. Mr. Maibach has been personally involved in over 135 residential development projects as a broker, developer, bank director, and zoning consultant in the past 35 years. Leslie Tolliver is a State Certified Residential Real Estate Appraiser who has assisted in the analysis and appraisal of numerous properties similar to the subject. Brooke Clock is a Licensed Residential Appraiser and Brandon Lawson is an Appraiser Trainee and have assisted in numerous properties similar to the subject property. Attention is paid to the qualifications of each individual, which are presented in the Addenda of this report.

Peyco Southwest Realty is a full-service professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele. In the past 12 months, our firm has completed numerous valuation assignments involving similar properties. Mr. Maibach currently owns, represents, and manages multiple properties throughout the DFW Metroplex, mostly in Tarrant, Dallas, Johnson, and Ellis Counties. The subject is located in the Oak Point, Denton County, Texas.

INTENDED USE AND USERS

The intended use of the appraisal is to estimate the prospective market value upon completion of the underwriting of a proposed Public Improvement District bond transaction. The client and intended users are the City of Oak Point and FMSbonds, Inc. The appraisal is not intended for any other use or user. No party or parties other than the City of Oak Point and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in this report; provided, however, it is acknowledged that this Appraisal will be used in a preliminary and final limited offering memorandum for the Public Improvement District bonds. The Client may, without Appraiser's prior authorization or notice to Appraiser, provide the Appraisal to other parties for their use in analysis-related activities, however, it does not make the recipient an intended user of this engagement.

DATE OF THE APPRAISAL REPORT

The preparation of this Appraisal Report was completed on **August 14, 2024.** The initial draft of this appraisal report was completed on June 6, 2024**.**

EFFECTIVE DATE OF THE APPRAISAL

The descriptions, analyses, and conclusions of this report for the designated Market Values of the subject property are applicable as of **October, 1 2025,** which is the expected date of Substantial Completion. Brandon Lawson inspected the subject property on **May 20, 2024**. James L. Maibach, Leslie Tolliver, and Brooke Clock have not inspected the subject property.

ASSIGNMENT CONDITIONS
Assignment conditions include assumptions that affect the scope of work, other than those previously discussed in the "Assumptions and Limiting Conditions". There are no other material and specific hypothetical conditions or extraordinary assumptions other than those referenced in this report.

PROPERTY RIGHTS APPRAISED
The property rights appraised in this assignment are the Fee Simple Estate in the subject property. A commitment for Title Insurance was not submitted to the appraisers and reservations, if any, are unknown. If property rights differ from the above definitions, the value may be affected.

ASSETS APPRAISED
The assets appraised in this appraisal assignment include land, and any primary and ancillary site improvements. No furniture, fixtures, equipment (FF&E), personal property, mineral rights or business value were included in the valuation process.

ENVIRONMENTAL CONDITIONS
No environmental report was available to us, and no recent environmental tests were performed. Because we have no evidence to the contrary, we have assumed that the property is free of any material defects, other than those noted, which would adversely affect the value, including, but not limited to, asbestos and toxic waste. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain environmental studies which may be required to ascertain the status of the property regarding asbestos and other hazardous materials.

HISTORY OF SUBJECT PROPERTY
The subject property is currently owned by Bloomfield Homes LP. The subject property consists of five separate parcels, all which were deeded to Bloomfield Homes LP on February 15, 2023. According to the developers, there were two separate transactions to acquire the subject property all occurring on February 15, 2023. The first transaction was between Bloomfield Homes LP and Denton ISD to acquire 110.703-AC via a land trade. The second transaction was between Bloomfield Homes LP and Denton ISD to acquire 37.082-acres at a sales price of $4,000,000 (~$107,870/AC). The purchase price is within market rates at the time of purchase. The history of the subject property follows as such:

- Per Denton County Appraisal District, parcel #131846 was deeded to Bloomfield Homes LP on February 15, 2023, from Denton ISD via Deed Instrument #2023-14151. This appears to be an arms-length sale.
- Per Denton County Appraisal District, parcel #273039 was deeded to Bloomfield Homes LP on February 15, 2023, from Denton ISD via Deed Instrument #2023-113757. This appears to be an arms-length sale.
- Per Denton County Appraisal District, parcel #131849 was deeded to Bloomfield Homes LP on February 15, 2023, from Denton ISD via Deed Instrument #2023-14151. This appears to be an arms-length sale.
- Per Denton County Appraisal District, parcel #147918 was deeded to Bloomfield Homes LP on February 15, 2023, from Denton ISD via Deed Instrument #2023-14151. This appears to be an arms-length sale.
- Per Denton County Appraisal District, parcel #155019 was deeded to Bloomfield Homes LP on February 15, 2023, from Denton ISD via Deed Instrument #2023-14151. This appears to be an arms-length sale.

The subject property has no other transfers in the prior three years.

We are unaware of any other attempts to sell the subject property, as of the report date, except for the contracts for the improved lots between the developer and the homebuilder.

LEGAL DESCRIPTIONS

The subject property includes five tracts of land known as follows:

- A0331A G. W. DANIEL, TR 2(PT), 10.500 ACRES, OLD DCAD TR #3B (Denton County Tax ID number 131846)
- A0331A G. W. DANIEL, TR 1E(PT), 26.8948 ACRES (Denton County Tax ID number 273039)
- A0331A G. W. DANIEL, TR 3(PT), 13.454 ACRES, OLD DCAD TR #3C Abstract/Subdivision: A0331A - G. W. DANIEL (Denton County Tax ID number 131849)
- A0331A G. W. DANIEL, TR 1A, 16.0 ACRES, OLD DCAD TR #3D (Denton County Tax ID number 147918)
- A0331A G. W. DANIEL, TR 1B, 16.0 ACRES, OLD DCAD TR #3E (Denton County Tax ID number 155019)

PENDING TRANSACTIONS TO BUILDERS

The land within the development is owned by Bloomfield Homes, L.P. who is also the developer. The subject property has two executed sales contracts. The first sales contract is between the Developer, Bloomfield Homes, L.P., and DFH Coventry, LLC, (Purchaser) dated December 28, 2023, as amended, to purchase a total of 72 fully developed single-family residential lots. Per the purchase contract, DFH Coventry, LLC is to purchase 24 of the 50-FF lots at $117,500 each, 12 of the 55-FF lots at $117,500 each, 23 of the 60-FF lots at 140,500 each, and 13 of the 65-FF lots at $140,500 each. In addition to the Basic Price, DFH Coventry, LLC agrees to pay an additional $2,500 amenity fee per lot, and an additional consideration at eight percent (8%) per annum shall be charged on each Lot from the date of the initial closing, if closed in more than one transaction. The purchase prices are within market rates.

The second sales contract is between the developer, Bloomfield Homes, L.P., and M/I Homes of DFW, LLC (Purchaser) dated May 20, 2024, to purchase a total of 60 fully developed single-family residential lots. Per the purchase contract, M/I Homes of DFW, LLC is to purchase 25 of the 50-FF lots at $115,000 each, 18 of the 55-FF lots at $126,500 each, and 17 of the 60-FF lots at 138,000 each. In addition to the Basic Price, M/I Homes of DFW, LLC agrees to pay an additional $2,500 amenity fee per lot, and an additional consideration at eight percent (8%) per annum shall be charged on each Lot from the date of the initial closing, if closed in more than one transaction. The purchase prices are within market rates.

The chart below shows the breakdown of the subject's lots. The Substantial Completion Date for Phase 1 and Phase 2 is October, 1 2025:

Chaparral Park PID Phase 1 and Phase 2						
Area Type	**Size (Acres)**	**50' Lot Type**	**55' Lot Type**	**60' Lot Type**	**65' Lot Type**	**Total Lots Appraised**
Phase 1	*44.354*	*66*	*42*	*51*	*20*	*179*
Phase 2	*12.582*	*16*	*15*	*14*	*17*	*62*
Total	56.936	**82**	**57**	**65**	**37**	**241**

Purchase and Sales Agreements we were provided by the Developer (Bloomfield Homes, L.P.), for the 50-FF, 55-FF, and 60-FF lots and the provided takedown schedules were utilized for our analysis. However, the developer did not provide a Purchase and Sale Agreement for the 65-FF lots which could possibly be due to the developer also being a homebuilder and choosing not to sell the lots, therefore, the appraisers utilized our

absorption analysis with data from Zonda, for our analysis. The quarterly takedowns below are projected for the 241 improved residential lots within Phase 1 and Phase 2 of the Chaparral Park PID.

Projected Quarterly Takedown Summary - Chaparral Park PID Phase 1 and Phase 2								
Lot Type	*Oct-2025*	*Jan-2026*	*Apr-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	**TOTAL**
50-FF	20	16	16	16	14	-	-	**82**
55-FF	10	8	8	8	8	8	7	**57**
60-FF	20	16	16	13	-	-	-	**65**
65-FF	9	9	9	9	1	-	-	**37**
Total	**59**	**49**	**49**	**46**	**23**	**8**	**7**	**241**

As seen in the previous table, sales are expected to begin in October 2025 for all lots sizes. The sellout date is different for each lot size with the 50-FF lots expected to be sold out during 4Q2026, the 55-FF lots are expected to be sold out during 2Q2027, the 60-FF lots are expected to be built out during 3Q2026, and the 65-FF lots are expected to be sold out in 4Q2026.

Real Estate Taxes

Denton Central Appraisal District

Real estate tax assessments are administered by the Denton Central Appraisal District (DCAD) and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by $100, then multiplying the estimate by the composite rate.

Real estate taxes and assessments for the most recent tax year (2024), are shown in the following table which include taxes due in 2024 to the City of Oak Point, Denton County, and Denton ISD. The current combined tax rate for those entities is **1.778685 per $100 assessed** as shown in the table below:

Property Taxes - 2024	
Entity	**Rate**
City of Oak Point	0.430000
Denton County	0.189485
Denton ISD	1.159200
Total	**1.778685**

The current (2024) tax burden for the subject property – which is undeveloped land – is $114,738.74. A table of the property taxes for the subject is shown below:

TAXES (DENTON CAD - 2024)						
ID	**Owner**	**Size (AC)**	**Improvement Market Value**	**Land Market Value**	**Assessed Value**	**Estimated Taxes**
131846	Bloomfield Homes LP	47.3105	$ -	$ 1,001,656	$1,001,656	$ 17,816.31
273039	Bloomfield Homes LP	105.8880	$ -	$ 2,565,651	$2,565,651	$ 45,634.85
131849	Bloomfield Homes LP	13.4590	$ -	$ 1,283,455	$1,283,455	$ 22,828.62
147918	Bloomfield Homes LP	16.0000	$ -	$ 800,000	$ 800,000	$ 14,229.48
155019	Bloomfield Homes LP	16.0000	$ -	$ 800,000	$ 800,000	$ 14,229.48
Total Combined:		**198.66**	**$0.00**	**$6,450,762**	**$6,450,762**	**$114,738.74**

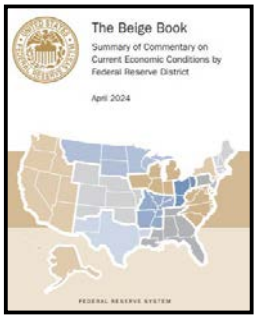
The market value that Denton Central Appraisal District has determined **$6,450,762 which is $32,472/AC or $0.75/SF** – which leads to a tax burden of $114,739. The subject property does not encompass the entire 198.66-AC as various portions only take up small areas of the various tracts. If the 56.936-AC was valued as its own tract, the market value that would be **$1,848,813 which is $32,472/AC or $0.75/SF** – which would lead to a tax burden of $32,885 which would likely be appraised for Denton CAD at below true market value for ±56.936 acres of developable land. When the property is redeveloped into a residential use, there may be rollback taxes due to the municipal entities. We have not considered the effect of rollback taxes herein and that is beyond the scope of work of this report.

When Substantial Construction is complete on the improved lots, the appraised value is expected to increase significantly; however, based on our company's experience as licensed property tax consultants working with tax districts and homebuilders, we believe the finished lots will be assessed by the appraisal district at below retail lot value. Finished lots are often assessed by tax districts at approximately 70% of the retail value because the tax district does not have reliable information on updated costs and because developers are eligible for an inventory reduction on their lots.

MARKET OVERVIEW

ECONOMIC INDICATORS: BEIGE BOOK

FEDERAL RESERVE BANK (*May 29, 2024*)



Due to the subject's location in North Texas, coupled with integrated business economies, it is relevant to consider the national and regional economic indicators presented by the Federal Reserve Bank of Dallas in the Beige Book. Excerpts from the most recent Beige Book are presented below:

Overall Economic Activity

National economic activity continued to expand from early April to mid-May; however, conditions varied across industries and Districts. Most Districts reported slight or modest growth, while two noted no change in activity. Retail spending was flat to up slightly, reflecting lower discretionary spending and heightened price sensitivity among consumers. Auto sales were roughly flat, with a few Districts noting that manufacturers were offering incentives to spur sales. Travel and tourism strengthened across much of the country, boosted by increased leisure and business travel, but hospitality contacts were mixed in their outlooks for the summer season. Demand for nonfinancial services rose, and activity in transportation services was mixed, as port and rail activity increased whereas reports of trucking and freight demand varied. Nonprofits and community organizations cited continued solid demand for their services, and manufacturing activity was widely characterized as flat to up, though two Districts cited declines. Tight credit standards and high interest rates continued to constrain lending growth. Housing demand rose modestly, and single-family construction increased, though there were reports of rising rates impacting sales activity. Conditions in the commercial real estate sector softened amid supply concerns, tight credit conditions, and elevated borrowing costs. Energy activity was largely stable, whereas agricultural reports were mixed, as drought conditions eased in some Districts, but farm finances/incomes remained a concern. Overall outlooks grew somewhat more pessimistic amid reports of rising uncertainty and greater downside risks.

Labor Markets

Employment rose at a slight pace overall. Eight Districts reported negligible to modest job gains, and the remaining four Districts reported no changes in employment. A majority of Districts noted better labor availability, though some shortages remained in select industries or areas. Multiple Districts said employee turnover has decreased, and one noted that employers' bargaining power has increased. Hiring plans were mixed—a couple of Districts expect a continuation of modest job gains, while others noted a pullback in hiring expectations amid weaker business demand and reluctance due to the uncertain economic environment. Wage growth remained mostly moderate, though some Districts reported more modest increases. Several Districts reported that wage growth was at pre-pandemic historical averages or was normalizing toward those rates.

Prices

Prices increased at a modest pace over the reporting period. Contacts in most Districts noted consumers pushed back against additional price increases, which led to smaller profit margins as input prices rose on average. Retail contacts reported offering discounts to entice customers. Many Districts observed a continued increase in input costs, particularly insurance, while some noted price declines in certain construction materials. Some Districts observed declines in manufacturing raw material costs. Price growth is expected to continue at a modest pace in the near term.

ELEVENTH DISTRICT
***FEDERAL RESERVE BANK OF DALLAS* – May 29, 2024**

Summary of Economic Activity
Economic activity in the Eleventh District was flat to up slightly over the reporting period. Some growth was seen in the manufacturing, banking and energy sectors, while activity in nonfinancial services was flat, and declines were seen in retail sales. Home sales remained solid. Employment levels held mostly steady overall, and price and wage growth remained fairly moderate. Outlooks were generally stable to slightly more pessimistic compared with the prior reporting period. Waning consumer demand was an ongoing concern for many businesses, and the continued conflict in the Middle East and further geopolitical tensions across the world were noted as a downside risk.

Labor Markets
Employment levels were fairly flat over the past six weeks overall, according to contacts. Job gains were seen in leisure and hospitality, health care, and nondurable goods manufacturing, while headcounts were stable or down slightly in most other industries. Oil and gas companies said they were backfilling vacancies but not looking to materially expand their workforce. The uncertain economic environment has prompted some hiring reluctance. A few contacts expressed doubt whether they will be able to maintain their existing workforce, with a staffing firm noting they are "on a cliff's edge" where they may have to lay people off. There were scattered reports of labor shortages, not concentrated in particular industries other than health care, which contacts said remained significantly understaffed.

Wage growth remained moderate. A staffing services firm noted that wage pressures have eased as workers who have been unemployed longer than expected are more open to negotiation on the wage front. A technology company said wage trends have reverted to the typical average raise of about 3% overall.

Prices
Prices rose at a modest to moderate pace over the reporting period. A slight ebbing was seen on the manufacturing side, for both materials and finished goods price growth. Multiple manufacturing contacts noted that they were experiencing a strong resistance to price increases, with one saying that customers ask to hold prices to last year's level, which isn't possible given the increases in costs. In services, growth in input prices remained in line with a typical rate while selling price growth slowed to slightly below average. Airlines reported upward cost pressure, partly stemming from elevated maintenance to upkeep older aircraft in the face of supply issues for new aircraft.

Manufacturing
Overall manufacturing activity grew modestly over the reporting period, with strength led by nondurable goods production. Food and chemical manufacturers noted a rise in demand, and Gulf Coast producers led year-over-year growth in U.S. industrial chemical output. Some weakness continued on the durable goods side, particularly machinery manufacturing. One contact noted that he "keep[s] thinking we'll hit bottom and either level out or turn up, but we keep pushing those hopes out a month, and another month, and another." Manufacturing outlooks worsened slightly on net, weighed down by waning consumer confidence and election uncertainty. Chemical producers also noted a weak Chinese economy as a risk.

Retail Sales
Retail sales declined moderately over the past six weeks, with contacts reporting that elevated pricing hampered consumer goods demand. Wholesale activity was a bright spot, while auto dealers noted declining sales amid continued volatility. Overall retail outlooks worsened slightly on net, with contacts citing inflation, high interest rates and instability in the Middle East.

Nonfinancial Services
Service sector activity was mostly flat over the reporting period, with contacts saying economic uncertainty curbed consumer demand. Revenue growth was seen in administrative and support services as well as information services. Health care reported a further deterioration of revenue, and reports from transportation services were mixed. Several transportation firms noted a decline in business, while small parcel carriers reported increased volumes and airlines reported strong, stable revenues. Leisure travel continues to lead airline demand, though business travel is showing signs of growth after plateauing in late 2023. Outlooks remained fairly stable, but contacts cited concern over an economic slowdown, geopolitical tensions, and Federal Reserve policy decisions, particularly a delay in cutting interest rates. High borrowing costs remained a concern for some companies.

Construction and Real Estate
Housing demand remained solid, though there were reports of rising rates impacting sales activity. Incentives such as rate buy downs remained prevalent, and some builders offered selected price discounts to move homes in inventory.

Commercial real estate market conditions were little changed from the previous reporting period. Apartment leasing growth remained moderate, but there continued to be downward pressure on occupancy and rents due to elevated supply. In the office market, leasing activity stayed subdued and was largely concentrated in class A space. Industrial demand grew moderately, and rents were stable even as vacancy rose. Outlooks were mixed, with some commercial market segments expected to remain challenging in the near to medium term.

Financial Services
Loan volumes grew for the first time in over a year despite credit standards continuing to tighten, and loan pricing continuing to rise. Credit tightening accelerated for commercial and residential mortgages while it decelerated for commercial and industrial loans and consumer loans. Loan nonperformance picked up slightly overall. Bankers' outlooks turned pessimistic: they expect a modest decrease in loan demand six months from now in addition to a deterioration in loan performance and overall business activity. Liquidity and net interest margins top the list of outlook concerns.

Community Perspectives
Affordability of housing and of quality childcare remained top concerns for lower-income families over the reporting period. Higher mortgage rates, property taxes, and insurance premiums are driving up costs of single-family homes, and a shortage of landlords willing to accept housing vouchers is affecting apartment availability. One contact noted that higher mortgage rates push middle-income homebuyers to the sidelines, driving up demand for rentals and pricing lower-income residents out of the buyer's market. Access to quality, affordable childcare continued to impede workforce participation among women in particular. One contact said that industries with shift work struggle to attract women since the work schedule often doesn't align with childcare hours. Several contacts expressed concern about the winding down of American Rescue Plan Act dollars and whether nonprofits and K-12 schools will be able to sustain certain programs without that funding. Contacts also noted that mental health continues to be a community concern.

Texas A&M University
Texas Real Estate Research Center
Outlook for the Texas Economy (Excerpts)
Joshua Roberson (May 23, 2024)



Summary
The Texas economy has remained resilient despite high inflation rates. Employment has remained steady with professional and business services driving most of the monthly employment gains. The unemployment rate has remained unchanged for the last six months. Inflation has increased by 3% and is likely to remain at high levels until later this year.

Inflation Grows Despite Higher Rates
The Consumer Price Index (CPI) rose by 0.4% in March, which was the same growth rate as the previous month and is up 3.8% from March 2023. The indexes for gasoline and shelter both rose in March and contributed to more than half of the monthly increase. The energy index increased 2.1% year-over-year (YOY) while the food index increased by 2.2%.

In March, the Federal Reserve maintained its key federal funds interest rate at approximately 5.5% as it grappled with persistent economic inflation. Despite a rise in inflation from 3.2% in February to 3.5% in March, the committee aims to keep the interest rate steady until it gains greater confidence that inflation is consistently moving toward its official 2% target. Many speculate that the earliest the Fed might consider reducing interest rates is during its June meeting, with the possibility of two additional rate cuts by year-end, contingent on whether inflation remains above the 2% target. The ongoing inflation surge has been influenced by factors such as housing costs, which have yet to decline significantly due to a nationwide housing shortage and higher mortgage interest rates.

Texas Payroll Growing at Slower Rate
Texas total nonfarm employment added 19,100 workers, resulting in a 0.14% month-over-month (MOM) gain. Compared to the past ten years, this growth rate falls below the monthly average growth rate of 0.2%. None of the Big Four metros experienced major changes. Dallas and San Antonio experienced relatively higher increases of 4,000 and 2,300, respectively. Austin notably reduced by 1,600 employees. Houston had an insignificant increase of 300 employees during this month. For the third straight month the professional and business services and education and health services sectors were the main contributors to the monthly increases, attracting 1,700 and 2,300 workers, respectively. Professional and business services increased for the first two months of 2024, but the growth rate has significantly dropped by 85%.

Texas worker sentiment remains resilient with a participation rate of 64.1%. The unemployment rate has been steady at 3.9% for nine months, and continued unemployment claims averaged around 133,306 applications weekly.

Texas Homes Sales Slowing

According to the latest data, Texas had a 7.1% decrease in total home sales MOM, resulting in 27,595 homes sold (see table). Most of the major cities experienced a slight downswing. San Antonio had the biggest fall in home sales volume among the Big Four with a drop of 9.2% (2,932) followed by Houston with 6.5% (7,343) drop.

Service Sector Executes Show Future Optimism

Texas service-providing employment growth in March was positive but slower than the month before at 0.1% MOM. Business executives surveyed through the Dallas Fed's Service Sector Outlook Survey suggested no growth in employment and work weeks. However, service sector activity expanded in March. The sentiment regarding general business activity continues to be more negative than positive, but expectations for future business activity reflected optimism and remains in positive territory. Other future service-sector activities such as capital expenditure remained positive mirroring the expectations for growth in the next six months.

Retail sales activity continued to decline but at a slower rate than the previous month, and the sales index has gone up by 1.9%. Input price and wage pressure increased by five and ten points, respectively, while the selling price index has not changed.

Texas Export Growth Slow Without Oil Boost

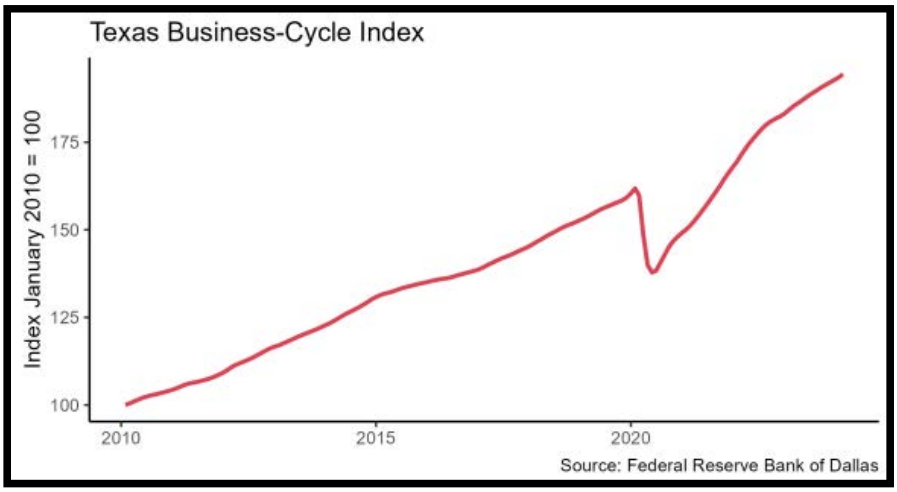
Texas' all-commodity exports in March increased 3.6% MOM but fell 5.8% YOY. This time last year Texas oil and gas exports temporarily benefited from Russian oil sanctions, which explains the large YOY dip. In general, Texas exports have gradually increased since early 2023 but are far short of export levels from 2022.

Demand for Texas oil and gas, the state's largest export, has been sluggish with export values hovering in the $12 export value range. The high mark for Texas oil and gas exports was June 2022, when export levels reached $15.5 billion, with most of the oil going to either Asia or Europe. Export levels have since fallen but remain above the long-term trend.

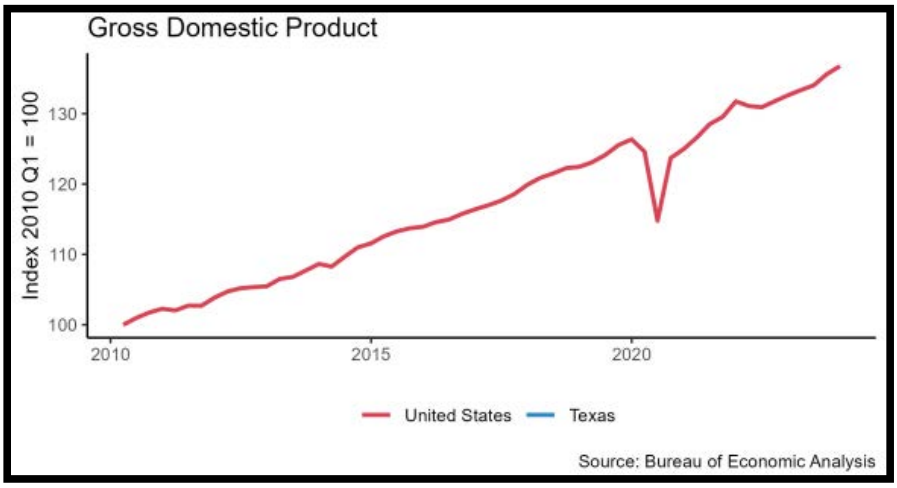
Petroleum and coal products, the state's number two export commodity, have fared about the same with export levels maintaining around $6 billion since summer 2023. Unlike oil and gas, this export is concentrated in developing Latin American markets.

Select Economic Indicators

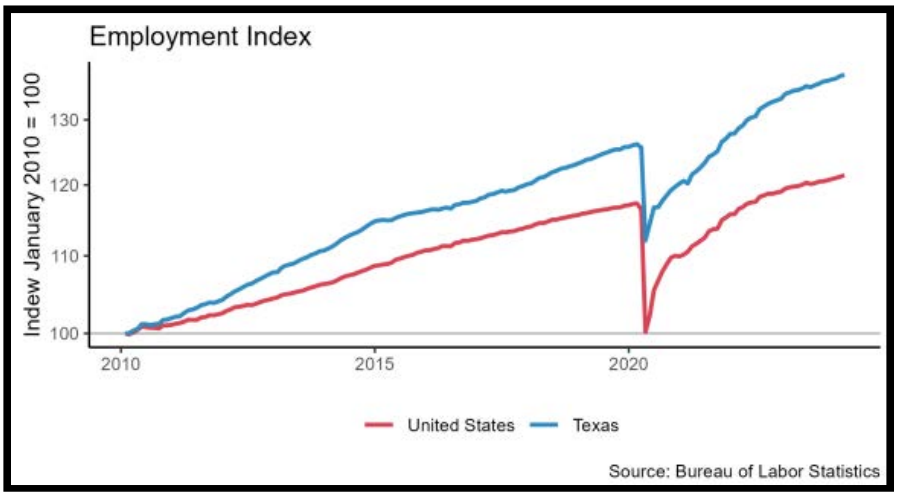
- *The Texas Leading Economic Index has remained at 128.2 (1987=100) since the beginning of this year, signaling steady economic growth in the upcoming months.*
- *Nominal average hourly earnings marginally declined by 0.28% MOM to $32.54 and increased by 4.5% YOY. This is 19% less than the YOY increase of 2023. Earnings across all four major metros were down with San Antonio declining by $0.20 and Houston by $0.13.*
- *Texas consumer confidence fell by 2.7% in March, whereas it had been on the rise since September.*
- *The ten-year U.S. Treasury bond did not change from February standing at 4.21%.*
- *The Federal Home Loan Mortgage Corporation's 30-year fixed-rate rose four basis points to 6.82%.*
- *The West Texas Intermediate (WTI) crude oil spot price slightly rose by 10.9% YOY from $77.64 to $78.01. The Henry Hub natural gas spot price plummeted 35.5% YOY from $2.54 to $2.41 per million British thermal units (BTU).*

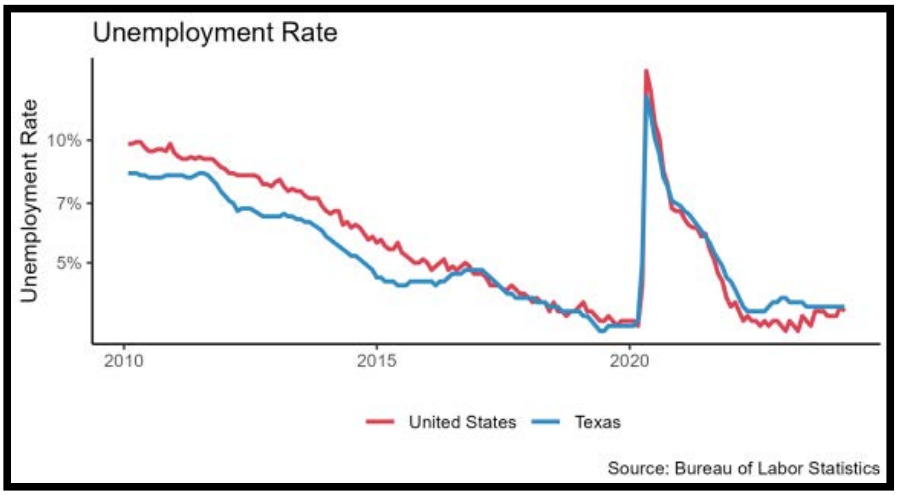

Texas Business-Cycle Index
Index January 2010 = 100
175
150
125
100
2010
2015
2020
Source: Federal Reserve Bank of Dallas

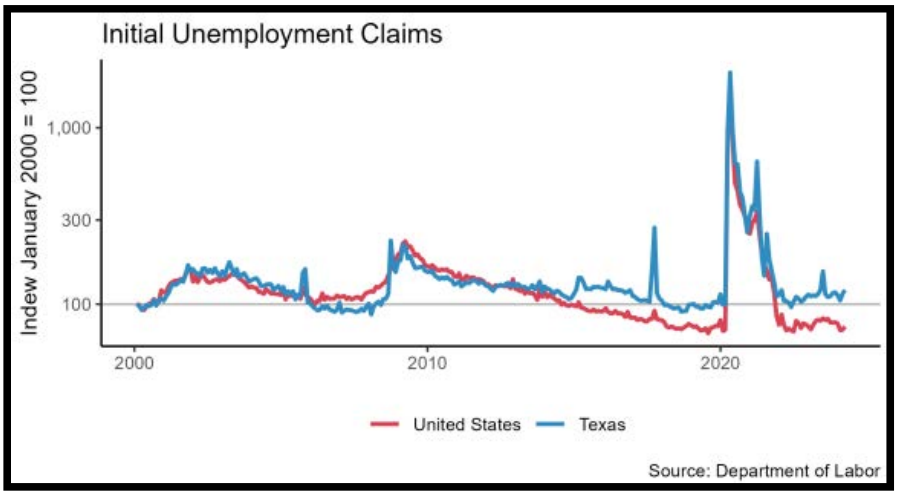

Texas Leading Index
Index January 2010 = 100
120
110
100
90
2010
2015
2020
Source: Federal Reserve Bank of Dallas

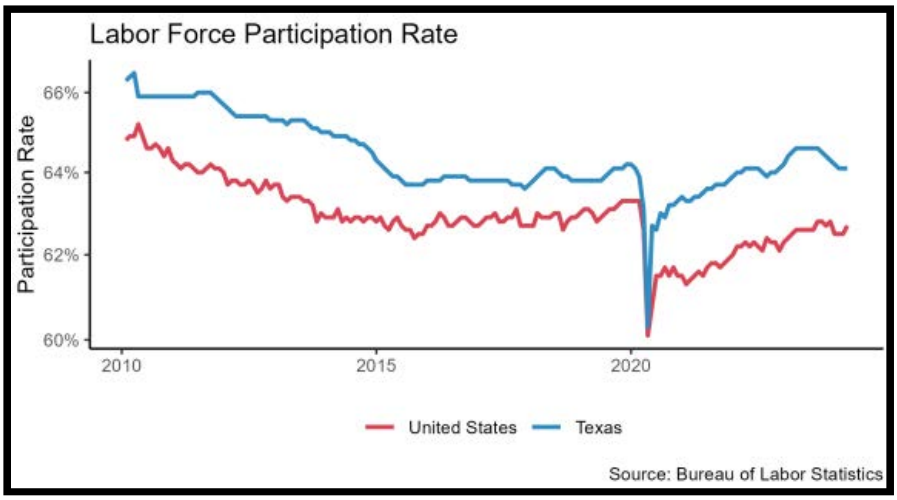

Gross Domestic Product
Index 2010 Q1 = 100
130
120
110
100
2010
2015
2020
United States
Texas
Source: Bureau of Economic Analysis

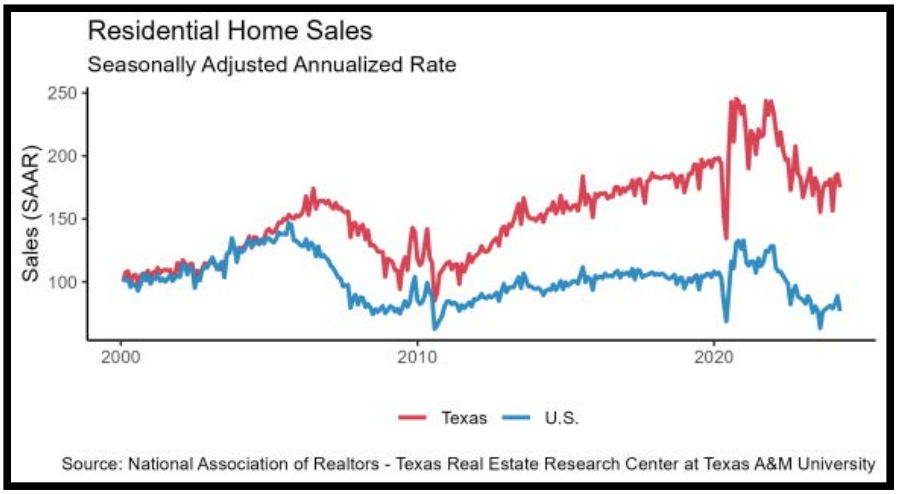

Job Openings
Index January 2010 = 100
500
400
300
200
100
2010
2015
2020
United States
Texas
Source: Bureau of Labor Statistics

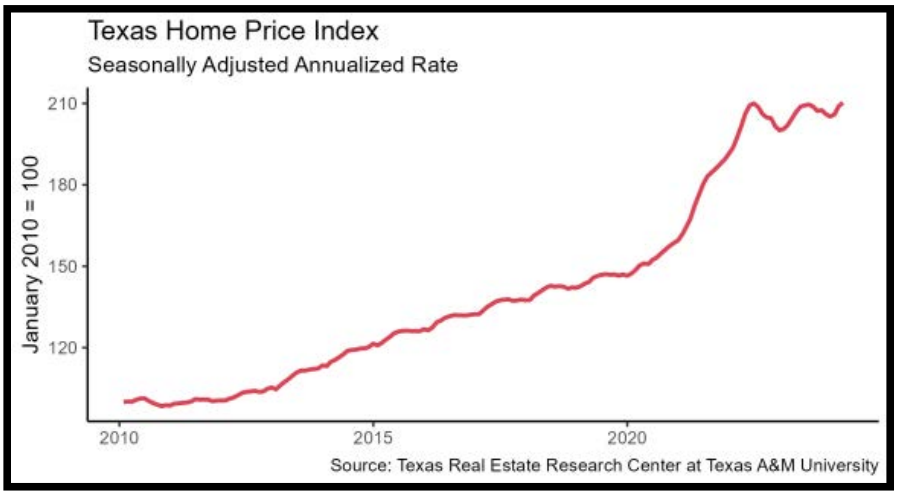

Employment Index
Indew January 2010 = 100
130
120
110
100
2010
2015
2020
United States
Texas
Source: Bureau of Labor Statistics

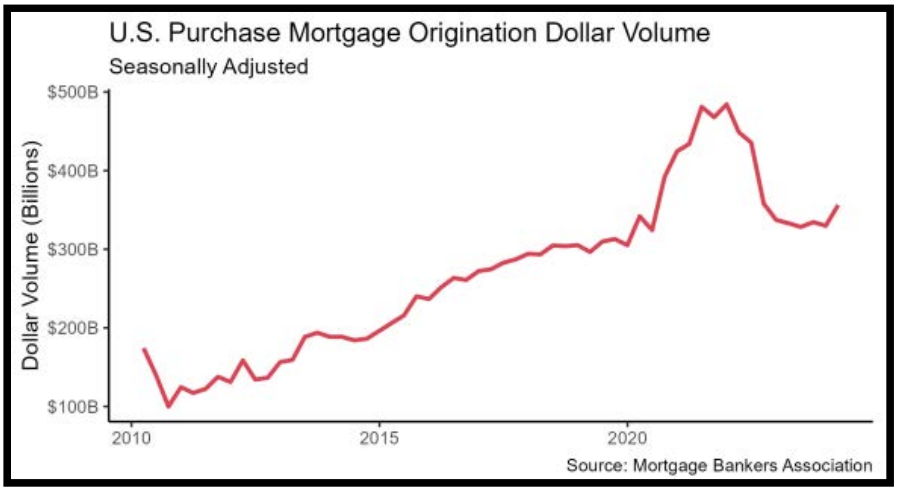

Unemployment Rate
Unemployment Rate
10%
7%
5%
2010
2015
2020
United States
Texas
Source: Bureau of Labor Statistics

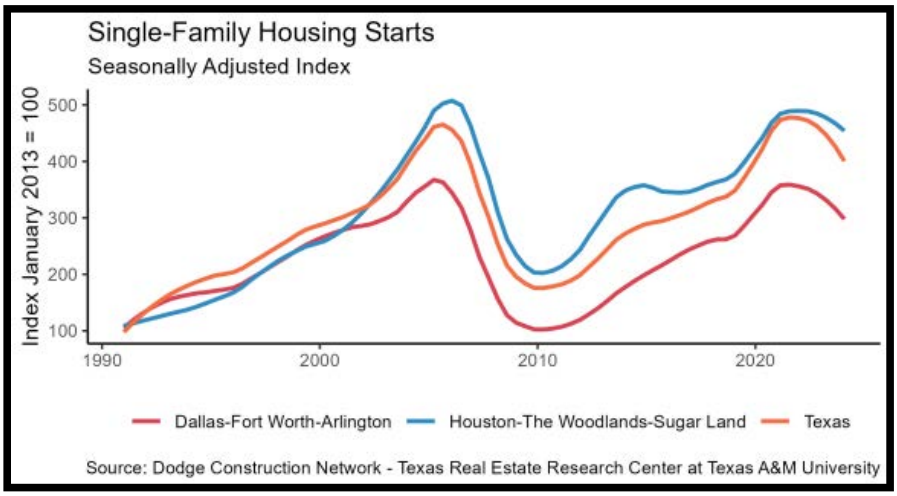

Initial Unemployment Claims
Indew January 2000 = 100
1,000
300
100
2000
2010
2020
United States
Texas
Source: Department of Labor

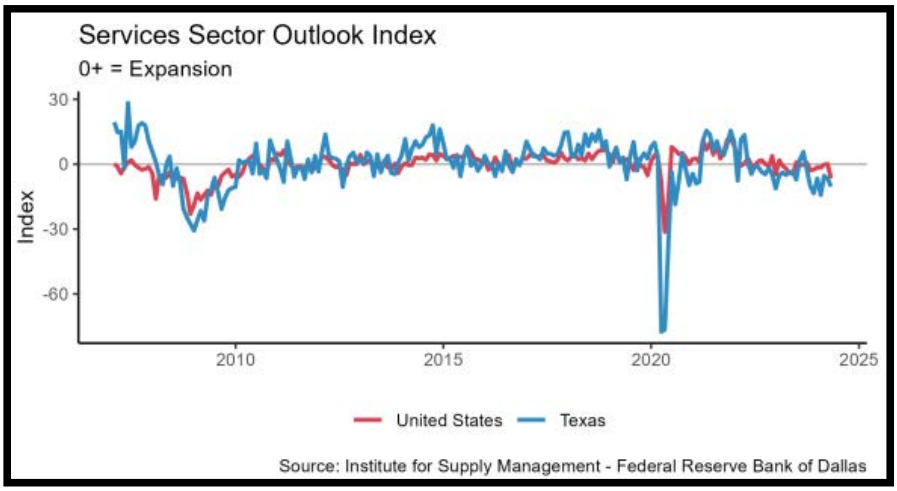

Labor Force Participation Rate
Participation Rate
66%
64%
62%
60%
2010
2015
2020
United States
Texas
Source: Bureau of Labor Statistics


Residential Home Sales
Seasonally Adjusted Annualized Rate
Sales (SAAR)
250
200
150
100
2000
2010
2020
Texas
U.S.
Source: National Association of Realtors - Texas Real Estate Research Center at Texas A&M University

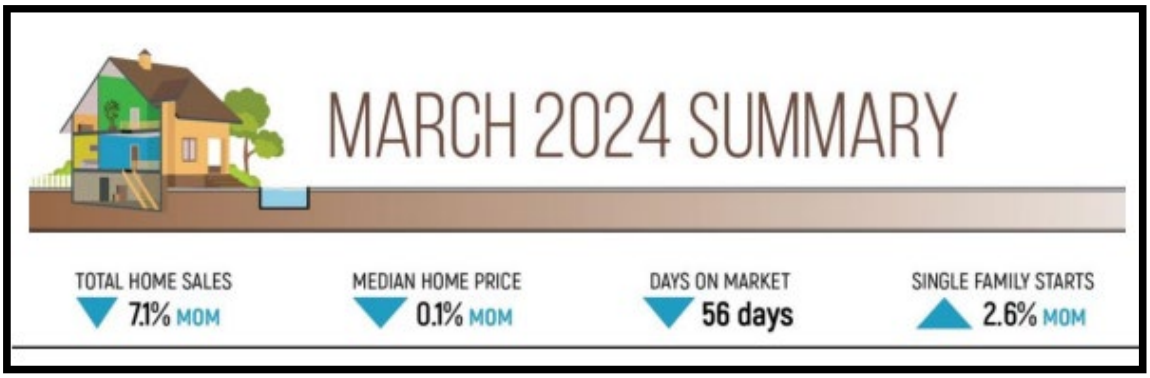

Texas Home Price Index
Seasonally Adjusted Annualized Rate
January 2010 = 100
210
180
150
120
2010
2015
2020
Source: Texas Real Estate Research Center at Texas A&M University


U.S. Purchase Mortgage Origination Dollar Volume
Seasonally Adjusted
Dollar Volume (Billions)
$500B
$400B
$300B
$200B
$100B
2010
2015
2020
Source: Mortgage Bankers Association


Single-Family Housing Starts
Seasonally Adjusted Index
Index January 2013 = 100
500
400
300
200
100
1990
2000
2010
2020
Dallas-Fort Worth-Arlington
Houston-The Woodlands-Sugar Land
Texas
Source: Dodge Construction Network - Texas Real Estate Research Center at Texas A&M University


Services Sector Outlook Index
0+ = Expansion
30
0
-30
-60
Index
2010
2015
2020
2025
United States
Texas
Source: Institute for Supply Management - Federal Reserve Bank of Dallas

TEXAS HOUSING INSIGHT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
Joshua Roberson (May 28, 2024)



Summary
Seasonally adjusted housing sales fell in March following February's growth. Despite the drop, three months into the year cumulative sales are at the same level as last year. Home prices on the other hand remained the same at $340,000 for the second month in a row.

Home Sales Retreat from February's Gains
Texas witnessed a 7.1% decrease in total seasonally adjusted home sales month over month (MOM), resulting in 27,595 homes sold (Table 1). Although most major cities experienced an upward trend in February, there was a slight downturn across the board in March. Notably, San Antonio saw the most significant decline at 9.2%, representing a decrease of over 296 sales compared to February. Conversely, Dallas-Fort Worth had the smallest decline, with only 259 fewer sales (a 3.2% decrease).

Table 1. Home Sales Volume

	February	March	MoM Change
Dallas-Fort Worth-Arlington	8,191	7,932	-3.2%
Austin-Round Rock	2,932	2,792	-4.8%
Houston-The Woodlands-Sugar Land	7,850	7,343	-6.5%
Texas	29,704	27,595	-7.1%
San Antonio-New Braunfels	3,228	2,932	-9.2%

Source: Data Relevance Project and Texas Real Estate Research Center at Texas A&M University
Note: Data are seasonally adjusted

After a consistent increase in new listings from December to February, Texas experienced a slight dip, declining from 45,696 to 45,448 listings (0.5%). Among the major cities, only San Antonio defied the trend, maintaining stable new listings. However, both Dallas and Houston saw significant drops. Dallas witnessed a reduction of 2,399 listings (17.2%), while Houston experienced a decrease of 1,394 listings (9.8%).

The state's average days on the market (DOM) decreased by one day from 57 to 56. Austin fell by almost ten days while Dallas fell by a mere two days. There weren't any notable changes in Houston and San Antonio. Statewide inventory increased from 3.9 to 4.1 months.

The number of active listings went up from 101,933 to 106,269 (4.2%) despite the slight decline in new listings. One explanation for the increase could be the sudden decrease in pending listings, which fell 6.2%. The Big Four experienced an upward trend in active listings with an addition of 334 for Austin (3.6%). Both Dallas and Houston experienced a similar increased trend in active listings by 2.2% with an addition of 524 and 570, respectively. San Antonio experienced a modest increase of 226 (1.8%).

Interest Rates on the Rise

Treasury and mortgage rates remain below their peak 2023 levels but have been increasing since the start of the year. The average ten-year U.S. Treasury Bond yield stayed at 4.21 for the second consecutive month. The Federal Home Loan Mortgage Corporation's 30-year fixed-rate rose by 4 basis points to 6.82%.

Single-Family Starts Stabilizing in March

Texas' number of single-family construction permits increased by 2.6% MOM, reaching 14,013 issuances. In Houston, there was a significant decline of 24.1% compared to the previous month. In contrast, Austin and San Antonio saw more modest increases, with 2.1% and 5.5%, respectively. Dallas permits decreased by 5.2%.

Construction starts rose alongside permits, according to data from Dodge Construction Network. Single-family starts rose by 2.6% MOM to 16,104 units. Houston had been experiencing an almost vertical increase from 56.8 in February, which is slowly reducing. It currently stands at 9.6% in March. San Antonio had a modest increase of 2.9%, and Austin rose by 15.8%. Dallas had surprisingly no change after the previous month's 42% increase.

The state's total value of single-family starts climbed from $6.55 billion in March 2023 to $9.51 billion in March 2024. Houston accounted for 36.6% of the state's total starts value. Starts value activity is up from last year as Austin and San Antonio also posted moderate increases.

Home Prices Decline

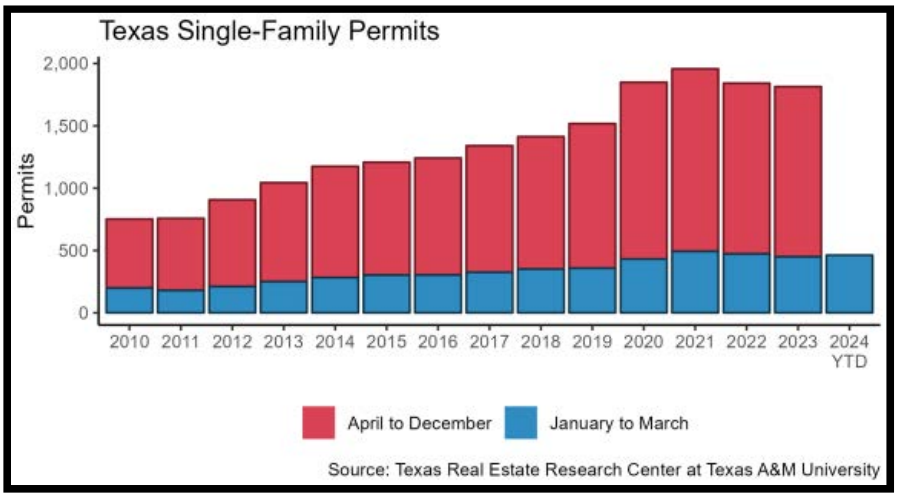
Texas' median home price remained stable at approximately $340,000 compared to the previous month (Table 2). However, across most major metropolitan areas, home prices saw a decline. Notably, San Antonio experienced an increase of 4.2%, while Austin had the highest decline among the four major cities at 5.2%. Dallas saw a minor decrease of 0.3%, while Houston declined by 1.7%.

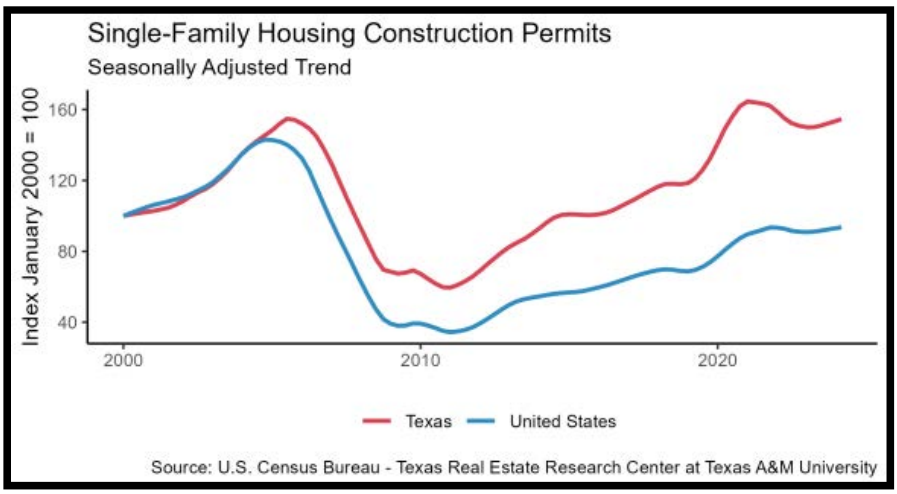
Table 2. Median Housing Prices

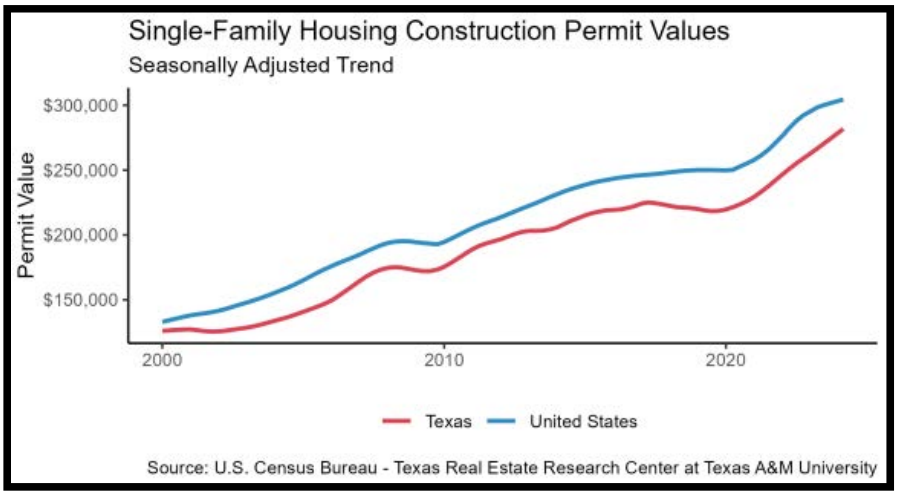
	February	March	MoM Change
San Antonio-New Braunfels	$301,237	$313,946	4.2%
Texas	$340,752	$340,435	-0.1%
Dallas-Fort Worth-Arlington	$399,033	$397,921	-0.3%
Houston-The Woodlands-Sugar Land	$335,545	$329,842	-1.7%
Austin-Round Rock	$444,754	$421,622	-5.2%

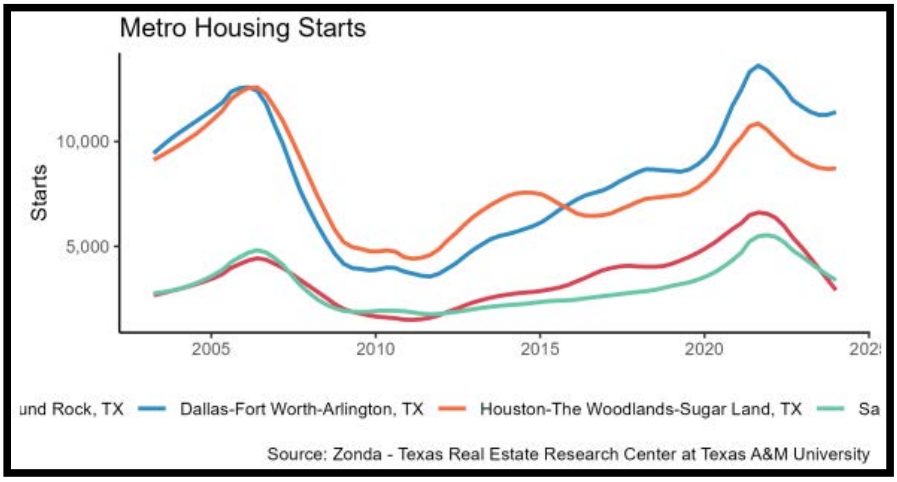
Source: Data Relevance Project and Texas Real Estate Research Center at Texas A&M University
Note: Data are seasonally adjusted

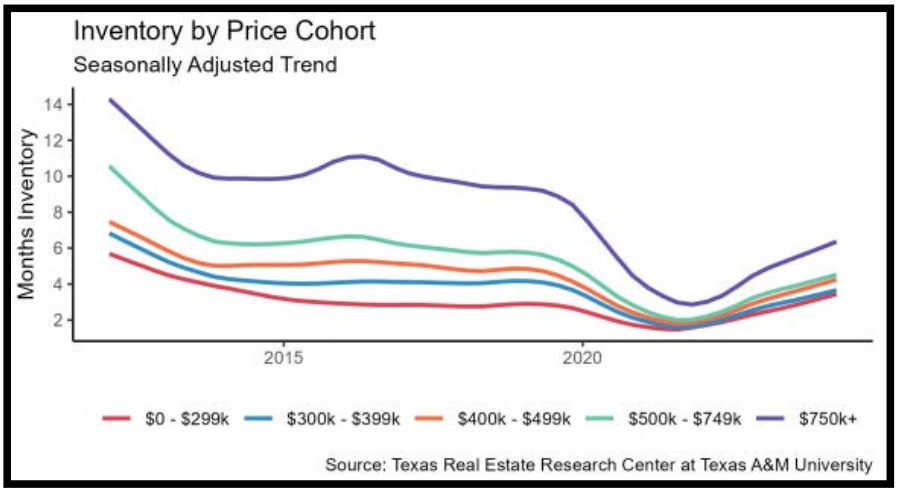
The Texas Repeat Sales Home Price Index (Jan 2005=100) grew 0.6% MOM and 2.8% year over year (YOY). Austin's annual appreciation remains below the state's average, falling by 0.7% YOY.

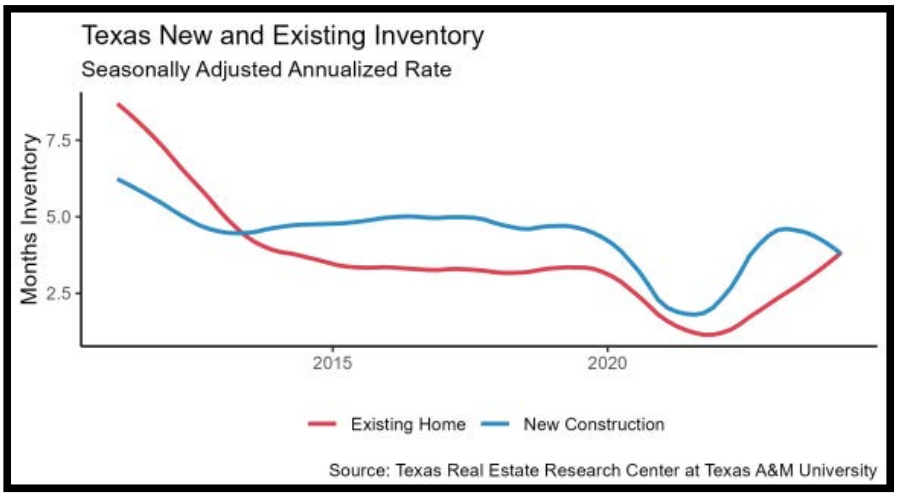




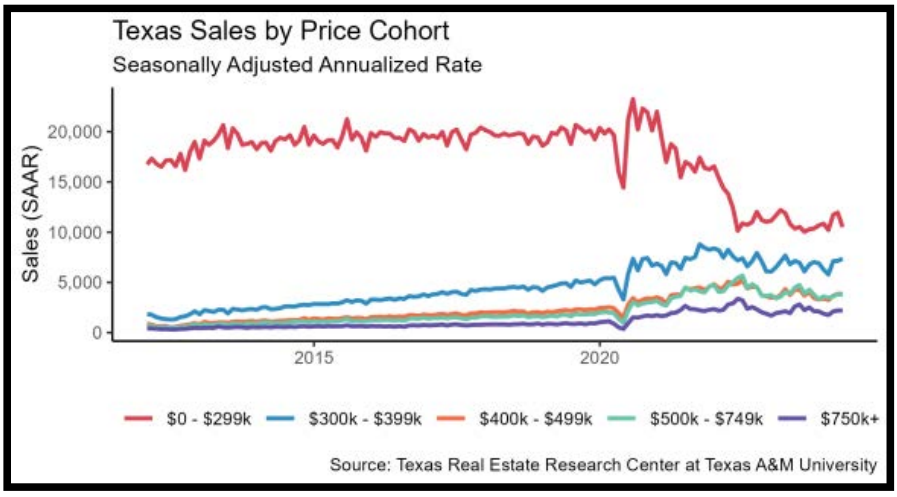

Single-Family Housing Construction Permit Values
Seasonally Adjusted Trend
Permit Value
$300,000
$250,000
$200,000
$150,000
2000
2010
2020
Texas
United States
Source: U.S. Census Bureau - Texas Real Estate Research Center at Texas A&M University

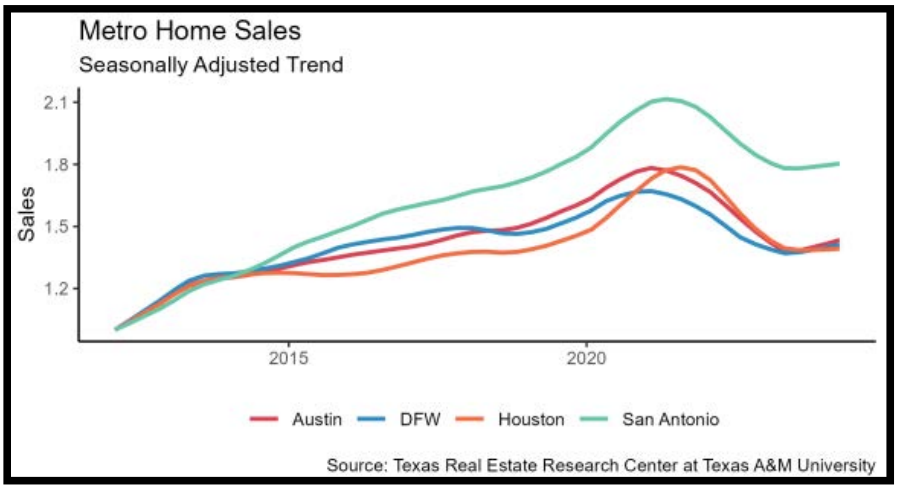

Metro Housing Starts
Starts
10,000
5,000
2005
2010
2015
2020
und Rock, TX
Dallas-Fort Worth-Arlington, TX
Houston-The Woodlands-Sugar Land, TX
Sa
Source: Zonda - Texas Real Estate Research Center at Texas A&M University

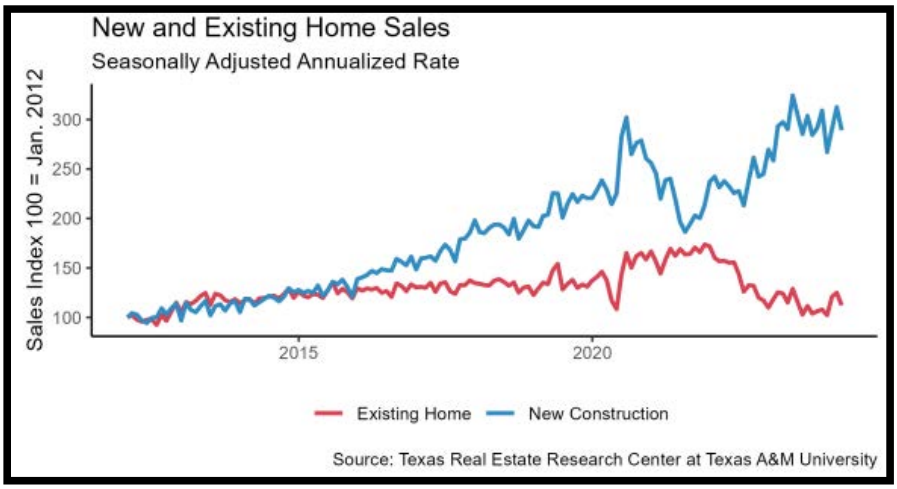

Inventory by Price Cohort
Seasonally Adjusted Trend
Months Inventory
14
12
10
8
6
4
2
2015
2020
$0 - $299k
$300k - $399k
$400k - $499k
$500k - $749k
$750k+
Source: Texas Real Estate Research Center at Texas A&M University

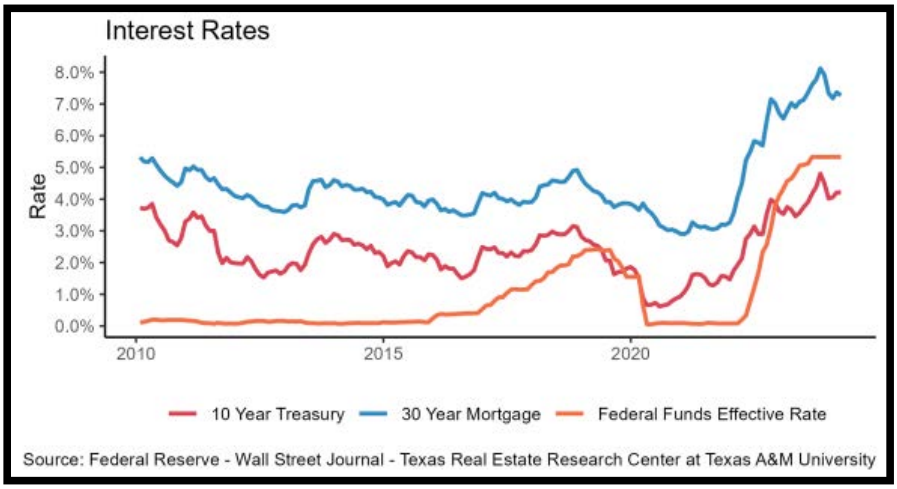

Texas New and Existing Inventory
Seasonally Adjusted Annualized Rate
Months Inventory
7.5
5.0
2.5
2015
2020
Existing Home
New Construction
Source: Texas Real Estate Research Center at Texas A&M University

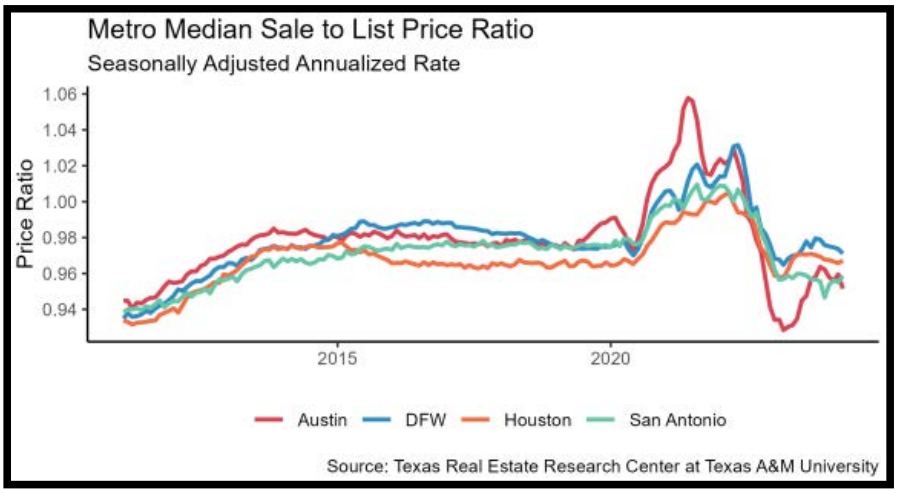

Residential Home Sales
Seasonally Adjusted Annualized Rate
Sales (SAAR)
250
200
150
100
2000
2010
2020
Texas
U.S.
Source: National Association of Realtors - Texas Real Estate Research Center at Texas A&M University

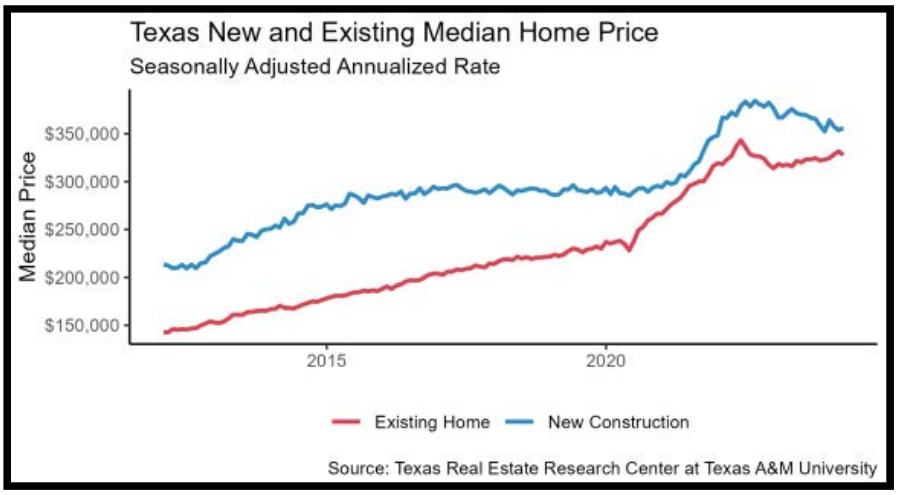

Texas Sales by Price Cohort
Seasonally Adjusted Annualized Rate
Sales (SAAR)
20,000
15,000
10,000
5,000
0
2015
2020
$0 - $299k
$300k - $399k
$400k - $499k
$500k - $749k
$750k+
Source: Texas Real Estate Research Center at Texas A&M University

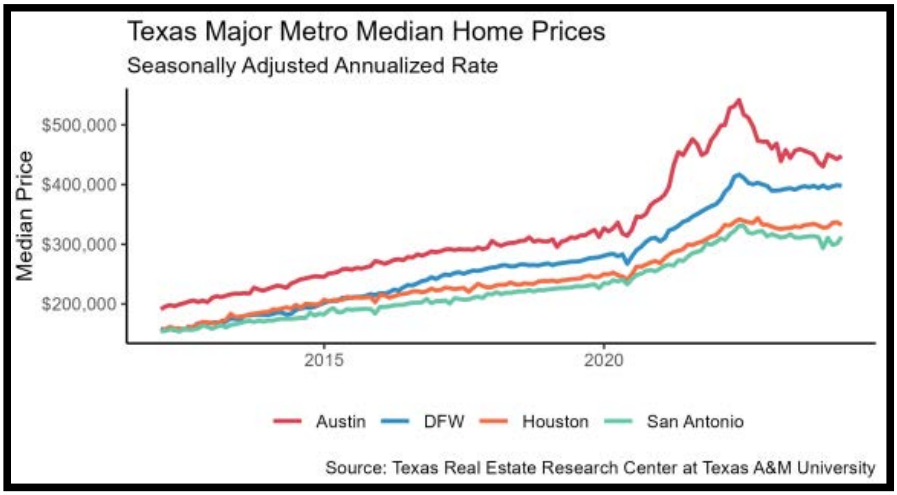

Metro Home Sales
Seasonally Adjusted Trend
Sales
2.1
1.8
1.5
1.2
2015
2020
Austin
DFW
Houston
San Antonio
Source: Texas Real Estate Research Center at Texas A&M University

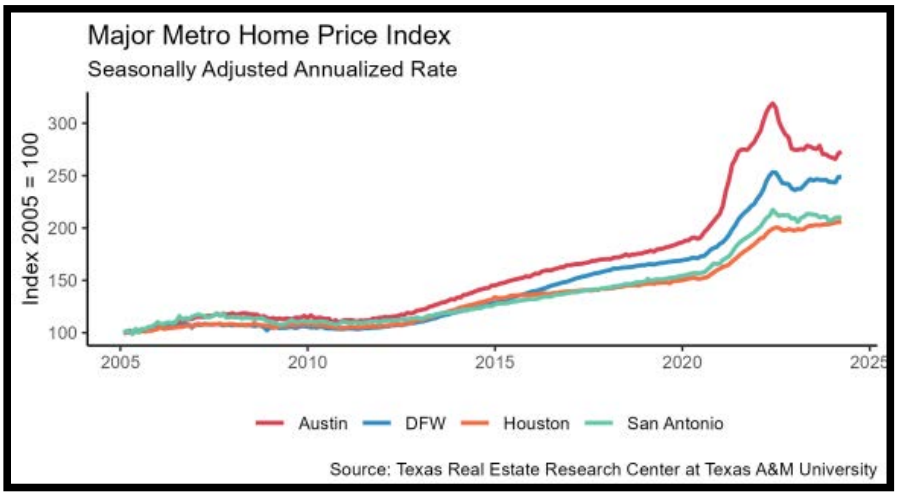

New and Existing Home Sales
Seasonally Adjusted Annualized Rate
Sales Index 100 = Jan. 2012
300
250
200
150
100
2015
2020
Existing Home
New Construction
Source: Texas Real Estate Research Center at Texas A&M University


Interest Rates
Rate
8.0%
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
2010
2015
2020
10 Year Treasury
30 Year Mortgage
Federal Funds Effective Rate
Source: Federal Reserve - Wall Street Journal - Texas Real Estate Research Center at Texas A&M University


Metro Median Sale to List Price Ratio
Seasonally Adjusted Annualized Rate
Price Ratio
1.06
1.04
1.02
1.00
0.98
0.96
0.94
2015
2020
Austin
DFW
Houston
San Antonio
Source: Texas Real Estate Research Center at Texas A&M University


Texas New and Existing Median Home Price
Seasonally Adjusted Annualized Rate
Median Price
$350,000
$300,000
$250,000
$200,000
$150,000
2015
2020
Existing Home
New Construction
Source: Texas Real Estate Research Center at Texas A&M University


Texas Major Metro Median Home Prices
Seasonally Adjusted Annualized Rate
Median Price
$500,000
$400,000
$300,000
$200,000
2015
2020
Austin
DFW
Houston
San Antonio
Source: Texas Real Estate Research Center at Texas A&M University

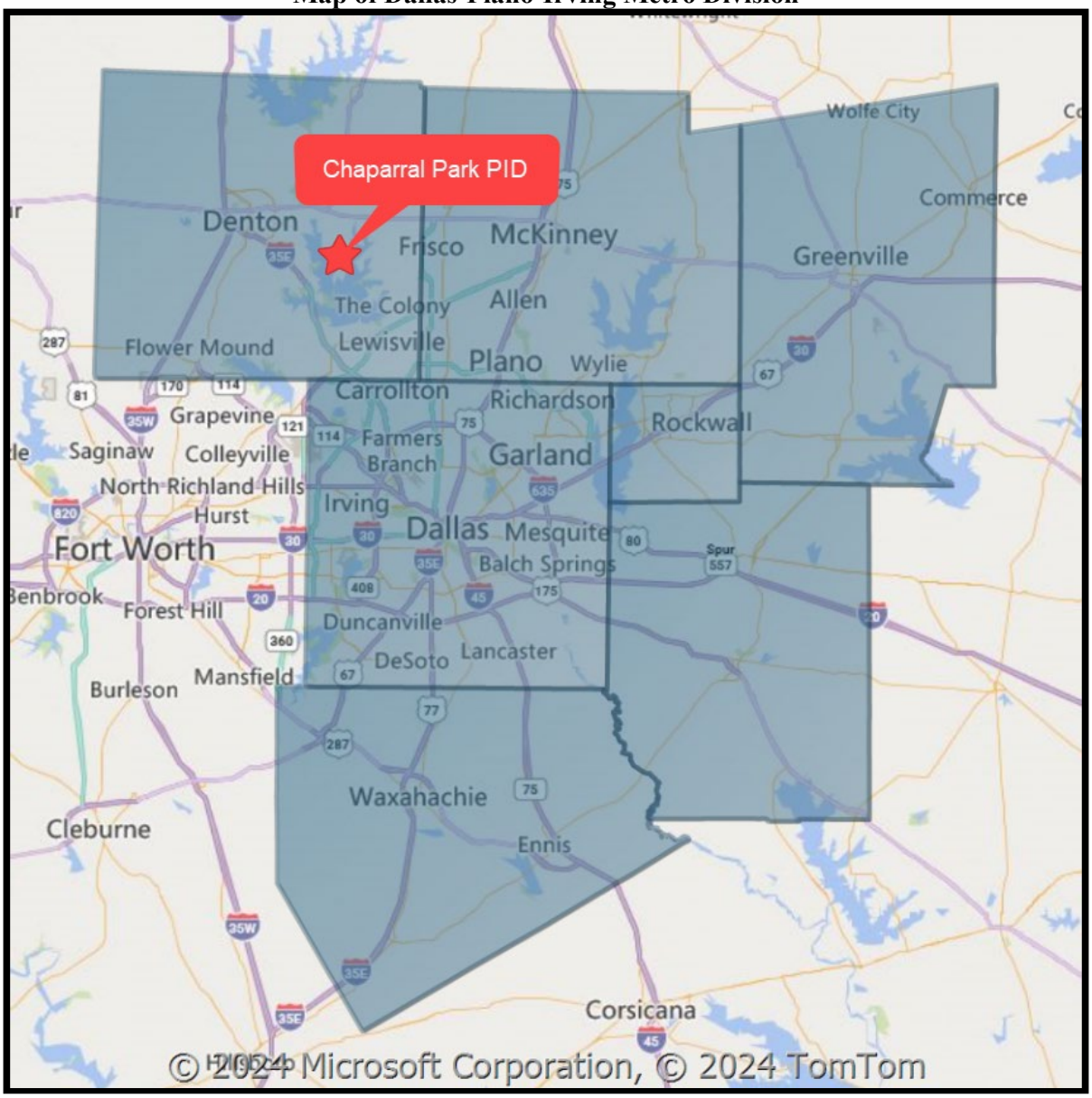

Major Metro Home Price Index
Seasonally Adjusted Annualized Rate
Index 2005 = 100
300
250
200
150
100
2005
2010
2015
2020
2025
Austin
DFW
Houston
San Antonio
Source: Texas Real Estate Research Center at Texas A&M University

DALLAS – PLANO - IRVING METRO DIVISION QUARTERLY HOUSING REPORT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
(First Quarter, 2024)

Executive Summary

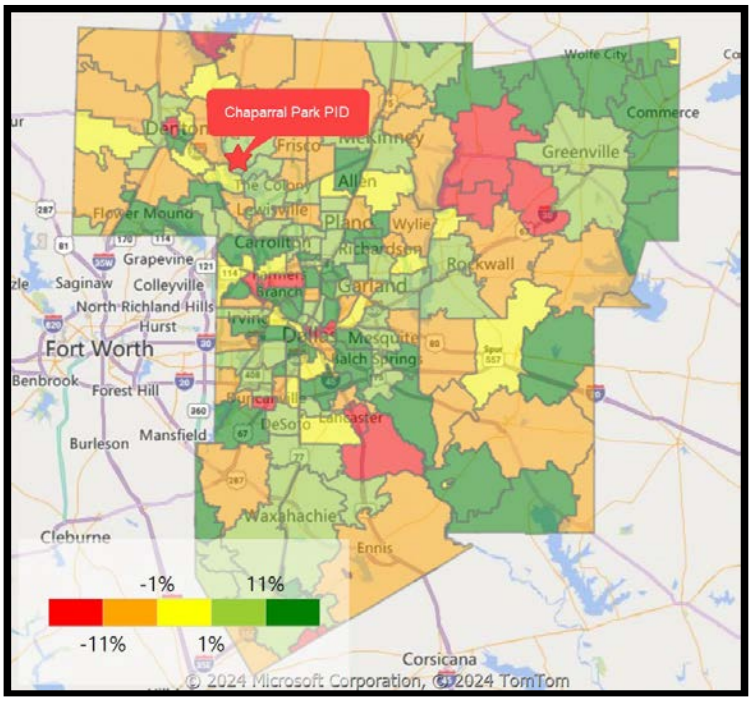
• Metro area sales volume increased 0.3% to 13,451 transactions. Median price increased 1.9% year-over-year to $415,000.
• 2024 Q1 months inventory for all residential properties rose 46% year-over-year to 2.9 months.
• Metro area residential property listings increased 39.8% year-over-year to 14,464 active listing

Map of Dallas-Plano-Irving Metro Division



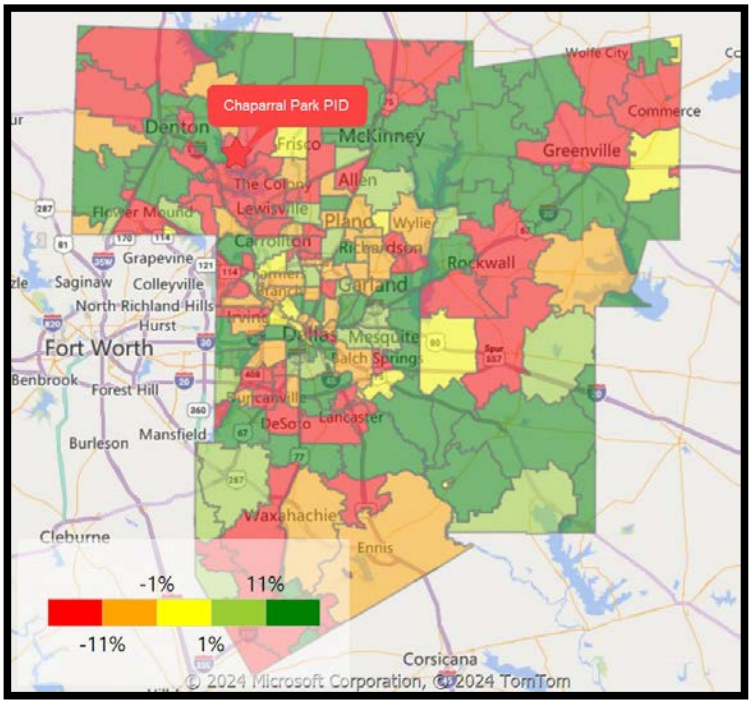
Median Price Change (YoY)

According to TREC, median sale price change year-over-year (YoY) near Chaparral Park PID increased 1% < 11%.

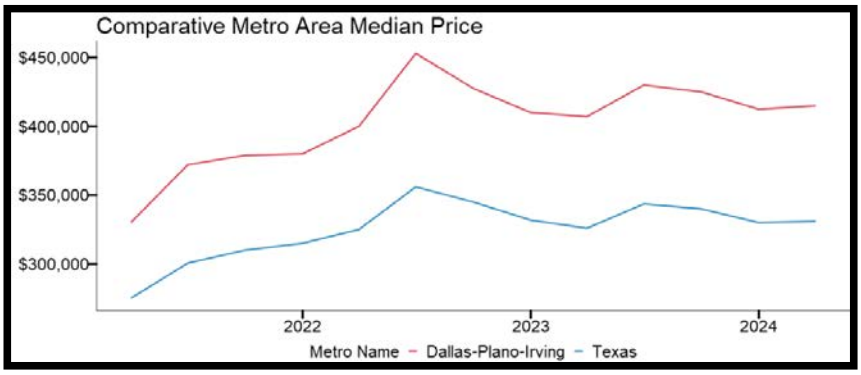


Sales Volume Change (YoY)

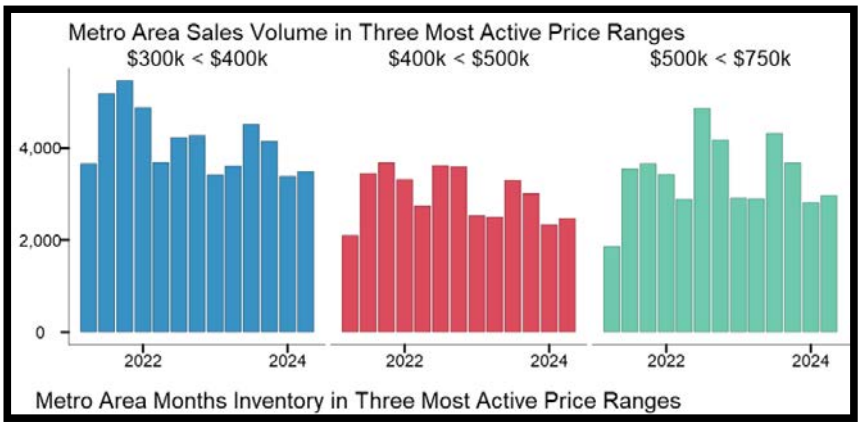
According to TREC, sales volume change year-over-year (YoY) in the subject's area near Chaparral Park PID decreased >11%.



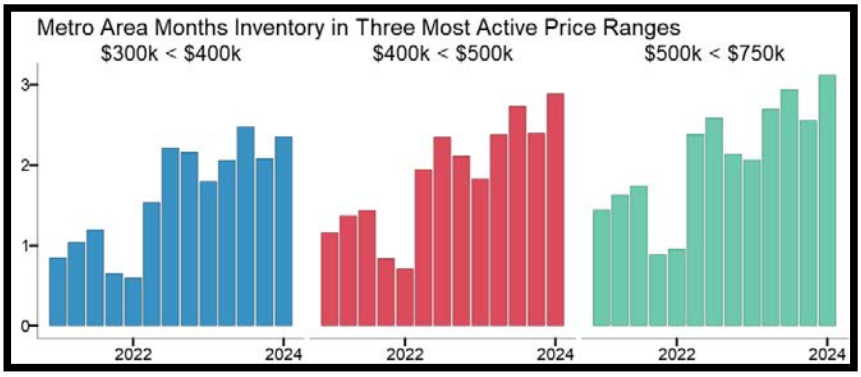
Median price in the Dallas-Plano-Irving metro increased by approximately 1.9% year-over-year, from $408,000 to $415,000. Metro area price exceeded the statewide median price of $330,950 by $84,050 as shown in the following chart:



2024 Q1 total sales volume increased by approximately 0.3% year-over-year, from 13,405 to 13,451. Sales of homes between $300k and $400k dipped from 3,606 to 3,491, while homes between $500k and $750k rose from 2,900 to 2,975, and homes between $400k and $500k dipped from 2,508 to 2,467 as shown in the following graph:



Metro area months inventory increased year-over-year from 1.98 to 2.89 months. Homes between $300k and $400k rose year-over-year, from 1.8 to 2.35 months, while homes between $500k and $750k rose year-over-year, from 2.06 to 3.12 months and homes between $400k and $500k rose year-over-year, from 1.82 to 2.88 months as shown in the following graph:



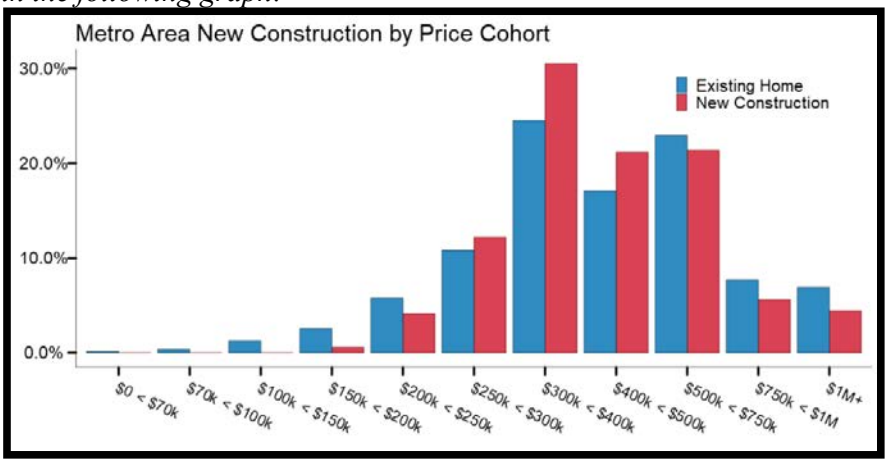
Average days to sell throughout the metro area fell from 94 to 87 days, a decrease of 7.5% year-over-year. Average days to sell for homes between $300k and $400k decreased by approximately 10.6% year-over-year, from 94 to 84 days as shown in the following graph:



Homes in the $400s and above fell to 52.6% of single-family new construction sales through the MLS. The second most active price range was homes in the $300s, which grew from 29.2% to 30.5% year-over-year as shown in the following graph:



In the latest quarter, the average price was $492,315 for new homes sold through the MLS, a decrease over last year's figure of $521,940. Average price for existing homes was $528,418, an increase over last year's figure of $491,649 as shown in the following graph:



The following chart shows the housing metrics for Denton County:



Denton County

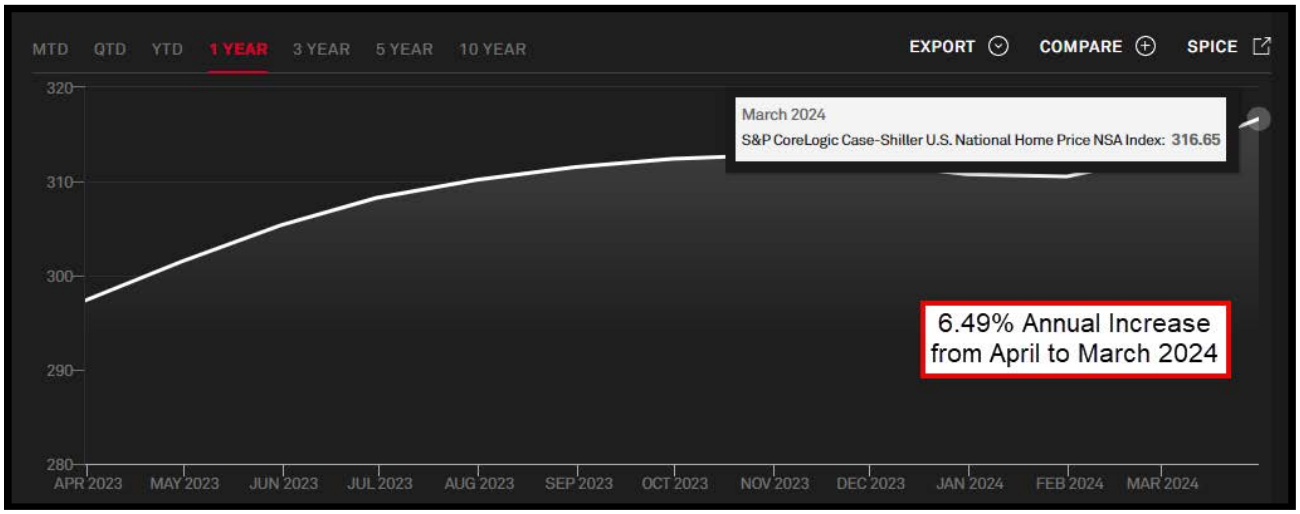
Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	0	-100%	0%	-	-	-	-	0	0.0	-	-
$70k < $100k	1	0%	0%	***	***	***	***	0	0.0	***	***
$100k < $150k	4	0%	0%	***	***	***	***	1	1.0	***	***
$150k < $200k	10	-9%	0%	$185,000	6%	$178.63	20%	6	1.5	1,055	1978
$200k < $250k	40	-7%	1%	$235,000	2%	$204.13	12%	19	1.4	1,130	1983
$250k < $300k	171	4%	6%	$280,000	-2%	$198.75	3%	82	1.5	1,400	2004
$300k < $400k	887	-17%	30%	$352,900	0%	$191.82	-2%	564	1.7	1,838	2013
$400k < $500k	654	-13%	22%	$440,365	0%	$200.65	2%	639	2.4	2,215	2016
$500k < $750k	789	1%	26%	$585,000	-2%	$205.21	2%	826	2.6	2,921	2017
$750k < $1M	228	1%	8%	$842,400	1%	$240.05	5%	339	3.6	3,537	2015
$1M+	194	36%	7%	$1,250,000	-4%	$294.99	-1%	373	5.3	4,289	2013

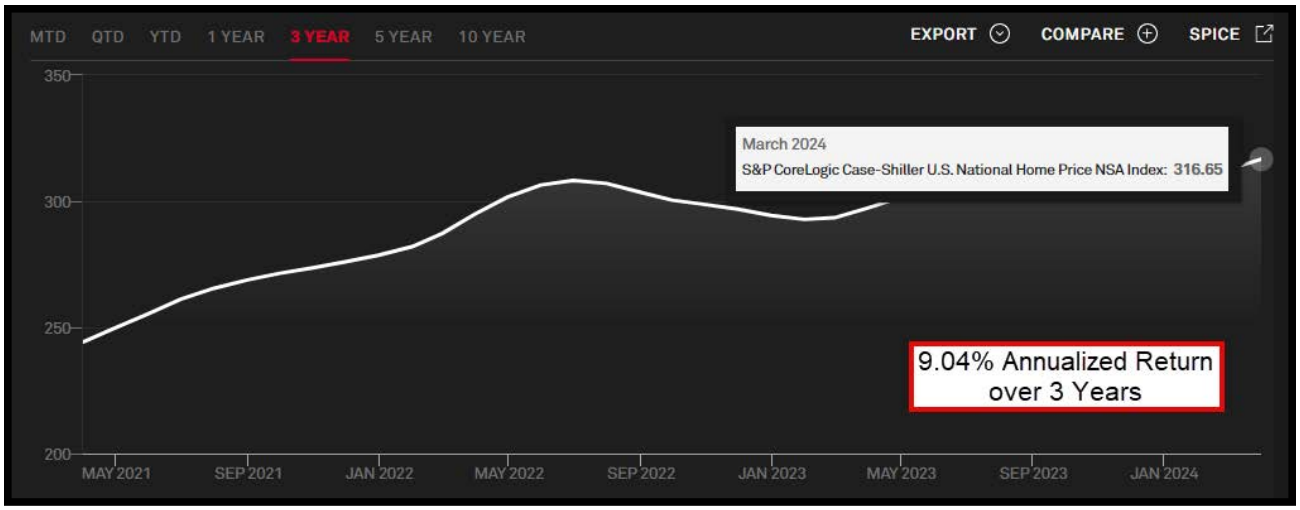
*** Not displayed when fewer than five sales

S&P CORELOGIC CASE-SHILLER INDEX

March 2024

Data reported from the Standard & Poor Dow Jones Indices (1-year and 3-year graphs shown below) from end of March 2024 showed that home prices nationally were up 6.5% YoY while the Dallas Metropolitan area also increased by 3.6%. Prices have increased in mostly the western and northern states; however, the southern region has remained steady compared to the national average.





Metropolitan Area	March 2024 Level	March/February Change (%)	February/January Change (%)	1-Year Change (%)
Dallas	295.01	1.2%	0.6%	3.6%
Composite-10	341.75	1.6%	1.0%	8.2%
Composite-20	325.09	1.6%	0.9%	7.4%
U.S. National	316.65	1.3%	0.7%	6.5%

Sources: S&P Dow Jones Indices and CoreLogic
Data through March 2024

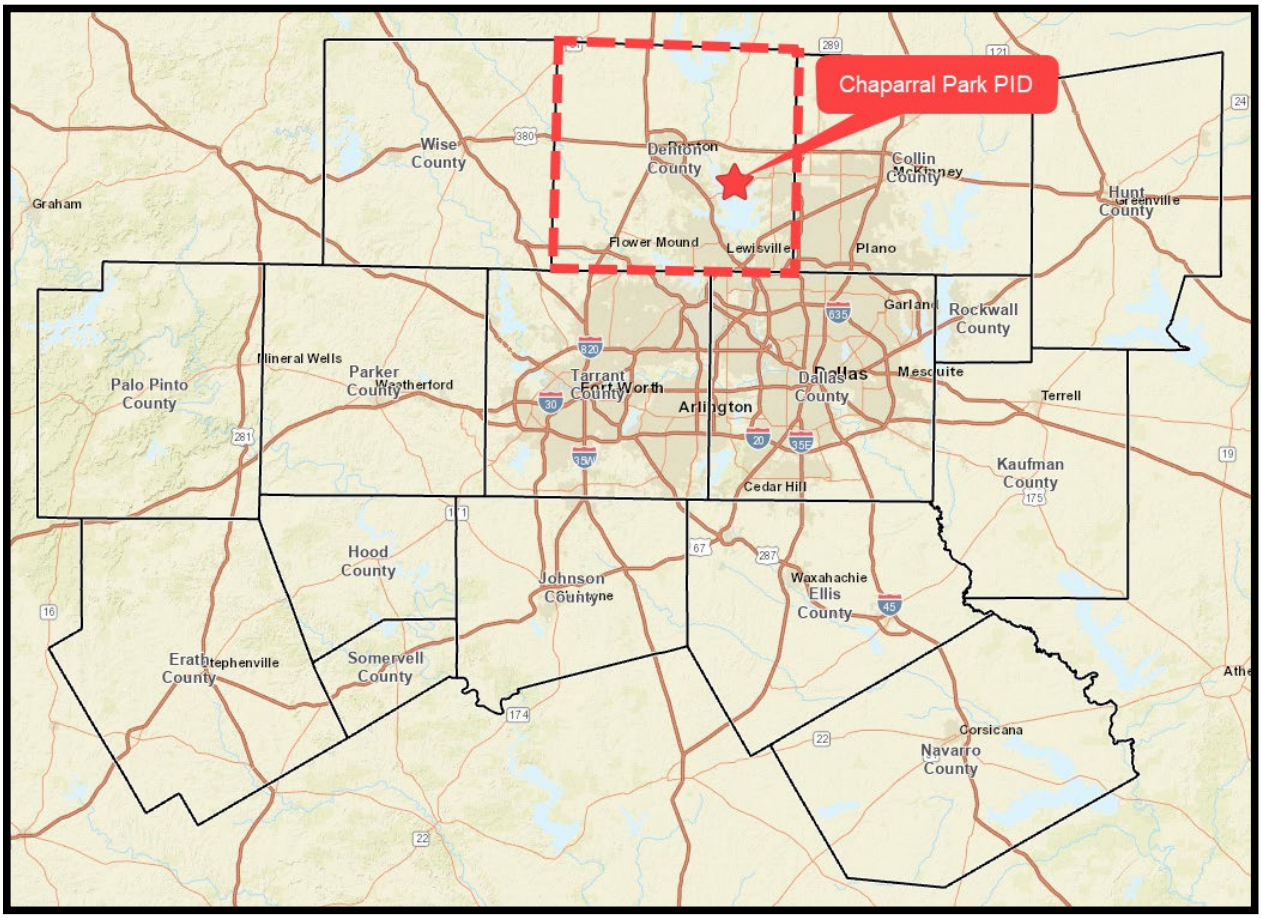
REGIONAL ANALYSIS

The subject is located in Denton County within the Dallas-Plano-Irving Metropolitan Statistical Area (MSA), often combined from the Dallas-Fort Worth-Arlington MSA and the Fort Worth-Arlington-Grapevine MSA, and more commonly referred to as the Metroplex (DFW), which encompasses parts of 16 counties and contains 23 cities with populations over 50,000 in North Central Texas. As reported by the North Central Texas Council of Governments (NCTCOG), the estimated population as of January 1, 2023, was 8,284,892 which makes it the most populous region in Texas and the fifth largest in the US. In the most recent count (2023), the population of DFW grew by 161,433 led by Fort Worth which added more than 18,900 people. Since 2020, the region has added approximately 453,000 new residents. Contributing about one-third of Texas' GDP, the economy is the most diverse in the state. DFW is home to many business and professional services from major financial institutions to international law firms. It is also home to one of the top ranked container ports in the US and an extensive infrastructure network that serves multiple hotbeds for e-commerce fulfillment.

The region is anchored by two major passenger airports: Dallas-Fort Worth International Airport (DFW), which is the second busiest airport in the world in terms of aircraft movements and the largest hub for American Airlines, and Dallas Love Field Airport (DAL), which is a city-owned airport and the largest hub for Southwest Airlines – the largest carrier in the nation in terms of passengers carried.

MAP OF DALLAS-FORT WORTH METROPLEX

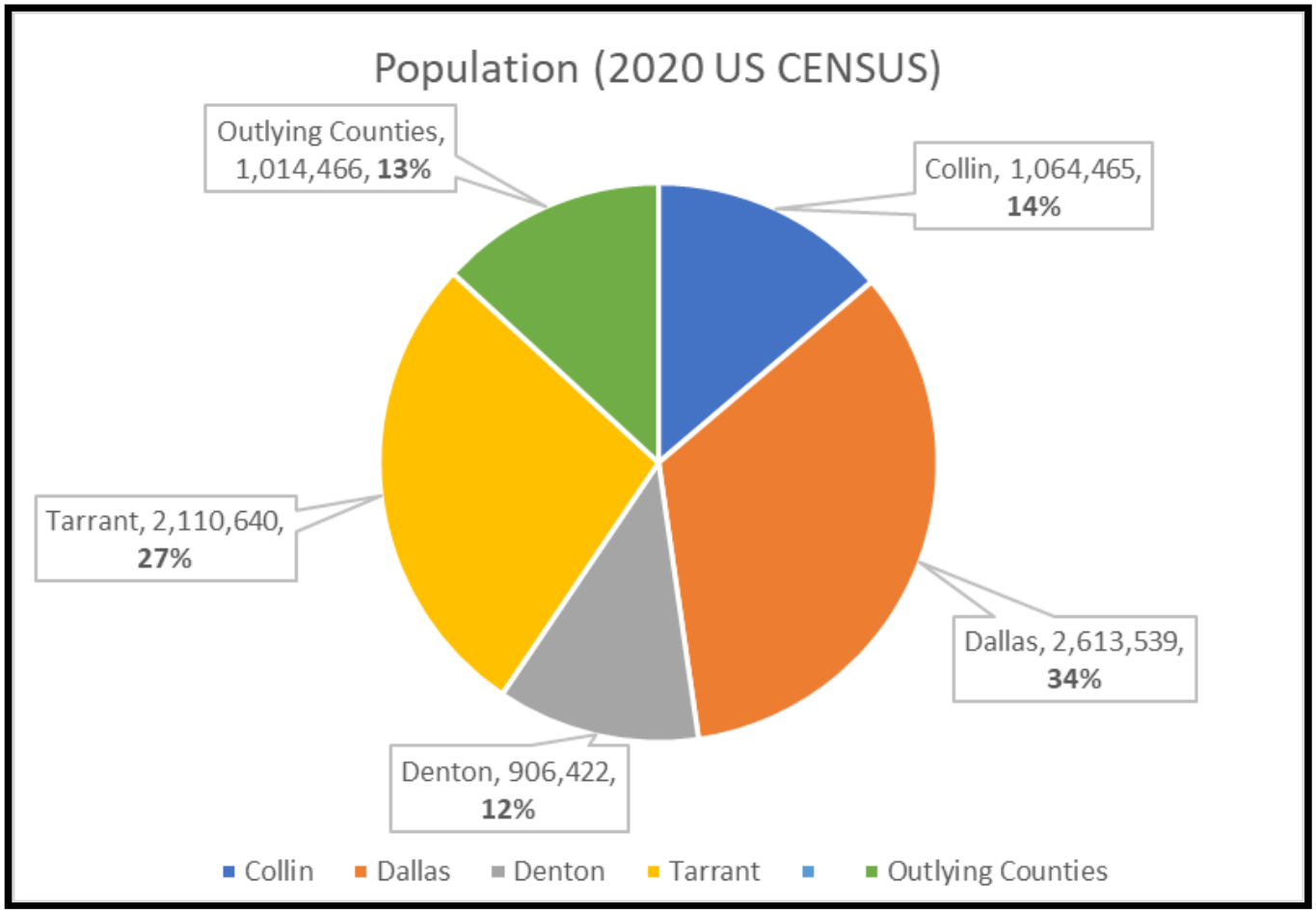
Red Lines Showing Denton County Boundary



When compared to the national economy, the DFW Metroplex is expected to experience expansion arising from growth in a variety of sectors including construction, transportation, manufacturing, finance, healthcare, business services, science and technology, education, and real estate. The expansion is fueled by the region's strategic location in the center of the country and located at the nexus of major roadways such as Interstates 35, 30, 20, and 45. It is predicted by most analysts that economic activity in the area will exceed the state and national growth averages across most indicators. The region is set for long-term development due in part to its transportation infrastructure, low cost-of-living, business friendly regulatory environment, mild weather, young population, and large work force.

A chart of the four counties in the Metroplex with the highest populations is shown below. Dallas County is the most populated county in the region with 2,613,539 residents, followed closely by Tarrant County with 2,110,640, Collin County with 1,064,465, and Denton County with 906,422. Other outlying counties such as Ellis, Johnson, Parker, Kaufman, Rockwall, Palo Pinto etc. add up to another 1,014,476 residents. The subject property is in the east central quadrant of Denton County.

PIE CHART OF POPULATION PERCENTAGES IN DFW METROPLEX



DENTON COUNTY OVERVIEW

Denton County, located in North Texas, is a dynamic region that forms part of the Dallas-Fort Worth-Arlington metropolitan area, commonly known as the DFW Metroplex. Covering approximately 953 square miles, the county is bordered by Cooke, Grayson, Collin, Dallas, Tarrant, and Wise counties. With a population exceeding 940,000, Denton County is one of the fastest-growing areas in Texas and the United States. Denton County boasts a diverse economy, driven by key industries like education, healthcare, manufacturing, retail, and technology. Its proximity to the DFW Metroplex and business-friendly environment have contributed to significant economic growth. Education plays a vital role in the county, with the University of North Texas (UNT) and Texas Woman's University (TWU) anchoring its academic landscape. Additionally, several independent school districts, including the Denton and Lewisville ISDs, serve the area's public education needs.

Denton County is vibrant, particularly noted for its lively music scene centered around downtown Denton and the historic Courthouse-on-the-Square. The county hosts numerous music festivals and events annually. For recreation, residents and visitors enjoy an array of parks, lakes, and trails, including popular spots like Lewisville Lake and Ray Roberts Lake State Park. The county is well-connected by major highways such as Interstate 35E and 35W, U.S. Highway 380, and State Highway 121, with public transportation services provided by the Denton County Transportation Authority (DCTA). In summary, Denton County is a thriving part of North Texas, celebrated for its robust community, educational institutions, and rich cultural offerings.

MAP OF DENTON COUNTY

Subject Located in east central Denton County

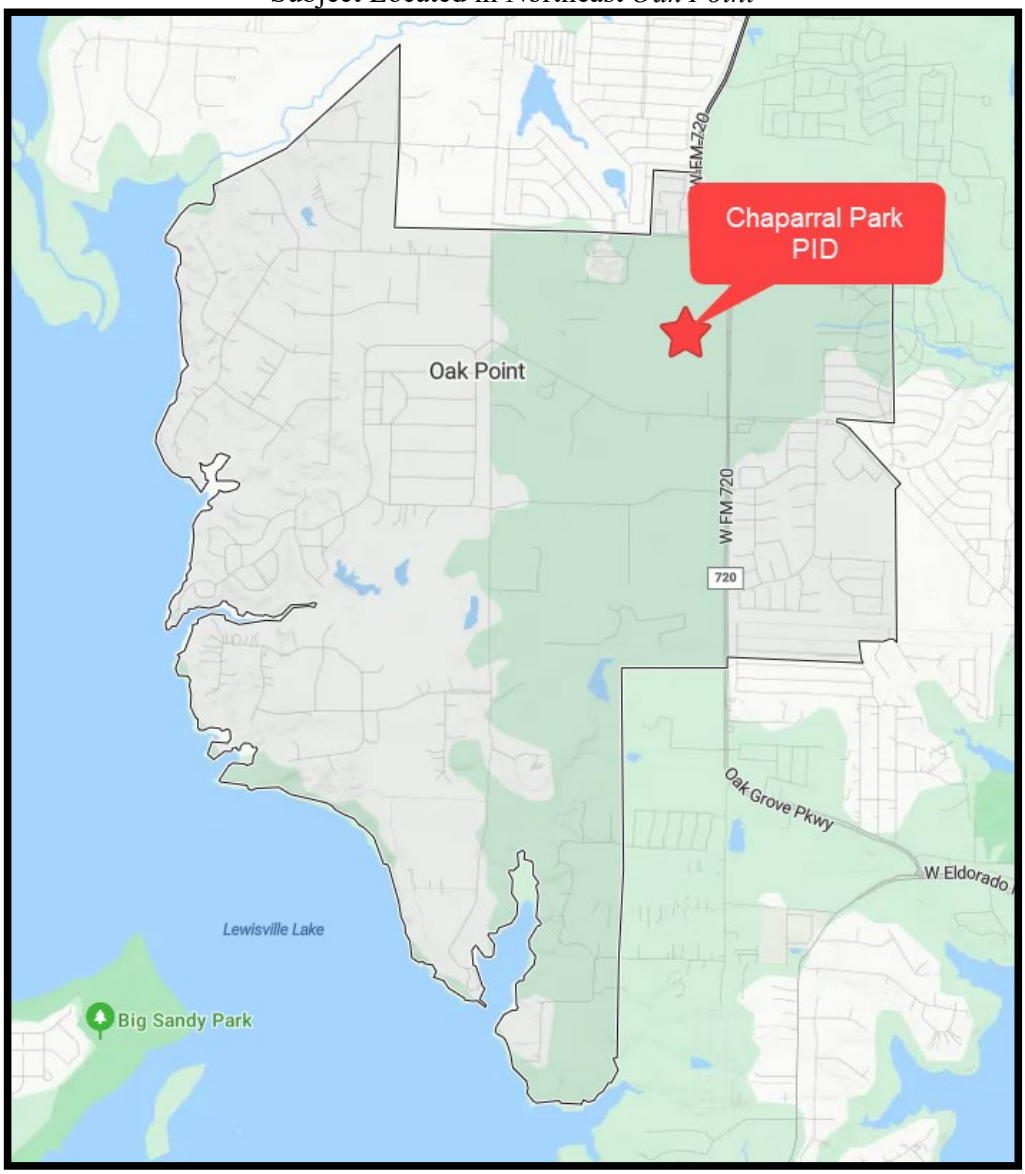


CITY OF OAK POINT OVERVIEW

Oak Point is located in Denton County, Texas. As of the 2020 census, the population was around 5,000 people. Oak Point is situated along the eastern shores of Lake Lewisville, which provides residents with access to various recreational activities such as boating, fishing, and hiking. The city is part of the Dallas-Fort Worth metroplex, offering residents a mix of suburban living and easy access to urban amenities. The city is known for its scenic landscapes, with many homes nestled among trees and green spaces. Oak Point has a small-town feel with a strong sense of community, and it is known for its family-friendly atmosphere. In terms of education, Oak Point is served by the Denton Independent School District, which provides public education to students in the area. Overall, Oak Point is a charming city that offers a peaceful and picturesque setting for its residents, with easy access to the amenities of the larger Dallas-Fort Worth metroplex. A map of the official boundary map for the City of Oak Point is shown below

MAP OF THE CITY OF OAK POINT

Subject Located in Northeast *Oak Point*

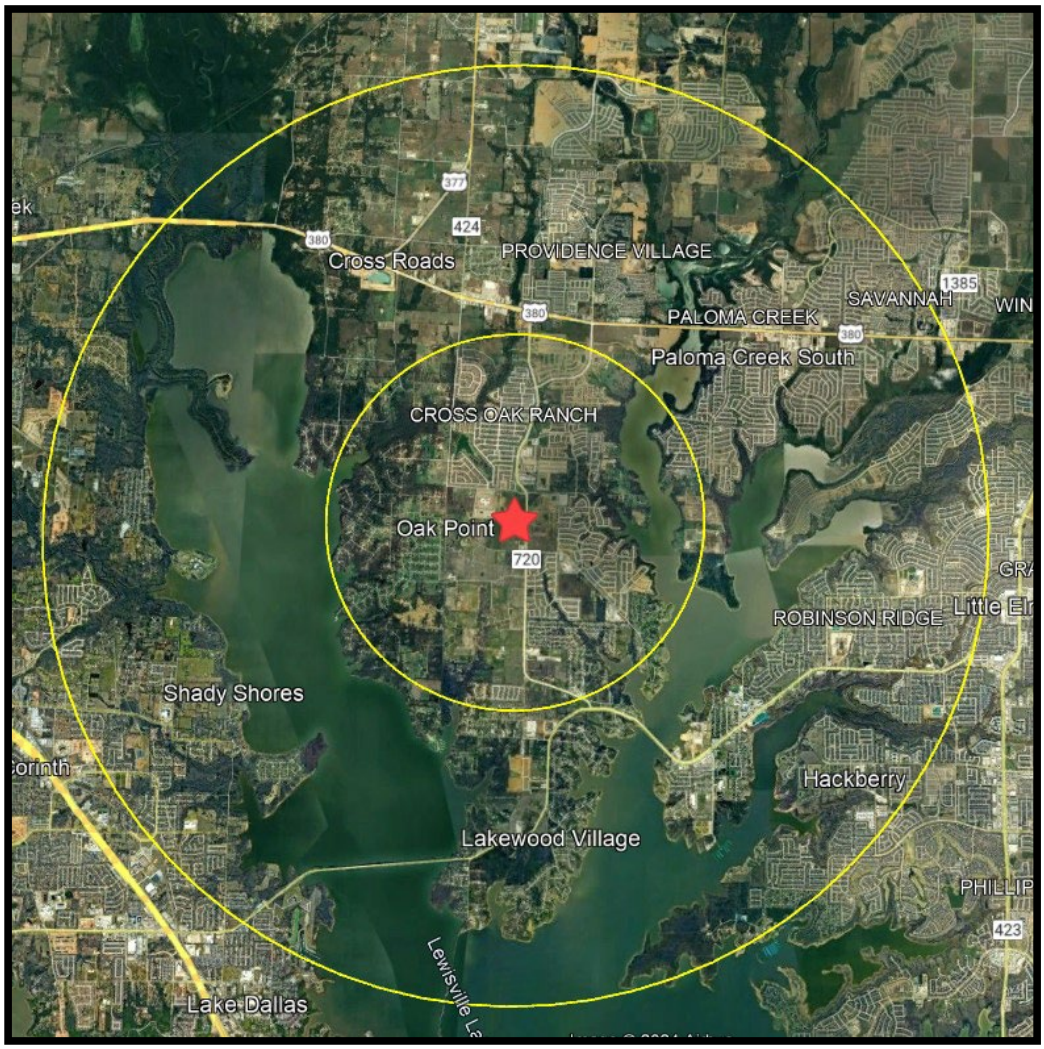


NEIGHBORHOOD ANALYSIS

A neighborhood may be defined as a section of a community or an entire community. It refers to relatively unified areas with definite boundaries which exhibit a fairly high degree of homogeneous uses – basically a group of complimentary land uses that exhibit a greater degree of commonality than the larger area. The boundaries of a neighborhood define the geographical area which exerts influence on the value of the subject property. The Chaparral Park PID is located within the City of Oak Point, Denton County, Texas and is within the Denton ISD.

NEIGHBORHOOD MAP

Geographic radii of 2 and 5 miles indicating the approximate neighborhood boundaries around the Subject

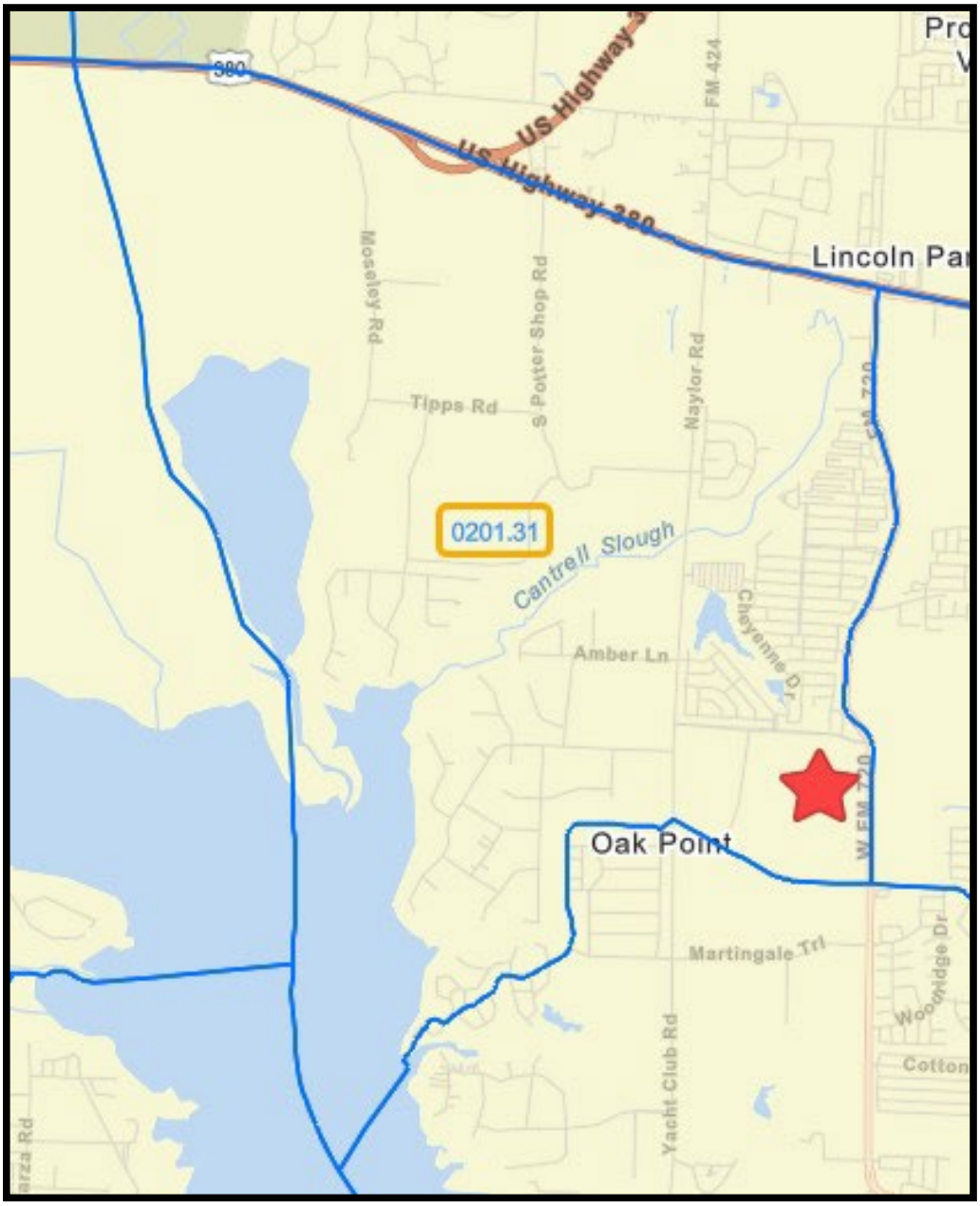


	2 Miles	5 Miles
North	US Highway 380	City of Krugerville
East	Gammon Road	FM Road 423
South	West Eldorado Parkway	City of Lake Dallas
West	Emerald Sound Boulevad	South Trinity Road

NEIGHBORHOOD DEMOGRAPHICS

The subject is located in census tract 0201.31 with the census report shown on the following page. The census tract report for 0201.31 indicates 8,184 people reside in the tract and income levels are in the upper tier with estimated median family incomes of $143,151. Within census tract 0201.31, approximately 96% of housing units are owner-occupied with 4% being renter-occupied and 0% being vacant. These housing and demographic statistics indicate middle class residents who tend to live in 10-20-year-old single-family homes.

Census Tract 0201.31 Map



Tract 0201.31 Census Report

FFIEC

2023 FFIEC Geocode Census Report

Address: Selected Tract
MSA: 19124 - DALLAS-PLANO-IRVING, TX
State: 48 -
County: 121 - DENTON COUNTY
Tract Code: 0201.31

Summary Census Demographic Information

Tract Income Level	Upper
Underserved or Distressed Tract	No
2023 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$105,600
2023 Estimated Tract Median Family Income	$143,151
2020 Tract Median Family Income	$119,722
Tract Median Family Income %	135.56
Tract Population	8184
Owner-Occupied Units	2241
1- to 4- Family Units	2326

Census Income Information

Tract Income Level	Upper
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$88,315
2023 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$105,600
% below Poverty Line	1.63
Tract Median Family Income %	135.56
2020 Tract Median Family Income	$119,722
2023 Estimated Tract Median Family Income	$143,151
2020 Tract Median Household Income	$111,727

Census Population Information

Tract Population	8184
Number of Families	1854
Number of Households	2326

Census Housing Information

Total Housing Units	2326
1- to 4- Family Units	2326
Median House Age (Years)	13
Owner-Occupied Units	2241
Renter Occupied Units	85
Owner Occupied 1- to 4- Family Units	2241
Inside Principal City?	YES
Vacant Units	0

DEMOGRAPHIC SUMMARY

Analytics from CoStar of the area is provided below. Within a 10-mile radius of the subject there are over 492,700 people, which represents a 3.8% annual increase in population since 2010 and highlights growth that has occurred in this portion of the DFW Metroplex. The population growth is expected to continue at a slower pace in the coming years and grow another 1.8% in the next four years. Median household incomes in the 10-mile radius are over $102,000.

Population	2 mile	5 mile	10 mile
2010 Population	7,162	54,613	330,381
2023 Population	12,643	95,080	492,724
2028 Population Projection	13,939	104,737	536,882
Annual Growth 2010-2023	5.9%	5.7%	3.8%
Annual Growth 2023-2028	2.0%	2.0%	1.8%
Median Age	37.4	36.3	36.6
Bachelor's Degree or Higher	35%	38%	42%
U.S. Armed Forces	20	28	164

Income	2 mile	5 mile	10 mile
Avg Household Income	$125,055	$124,807	$126,077
Median Household Income	$105,550	$106,244	$102,427
< $25,000	229	2,334	15,613
$25,000 - 50,000	517	3,097	20,860
$50,000 - 75,000	582	5,087	25,945
$75,000 - 100,000	697	4,949	22,689
$100,000 - 125,000	1,018	5,285	21,902
$125,000 - 150,000	383	3,977	17,693
$150,000 - 200,000	438	4,431	21,809
$200,000+	638	4,414	27,955

EMPLOYMENT DATA

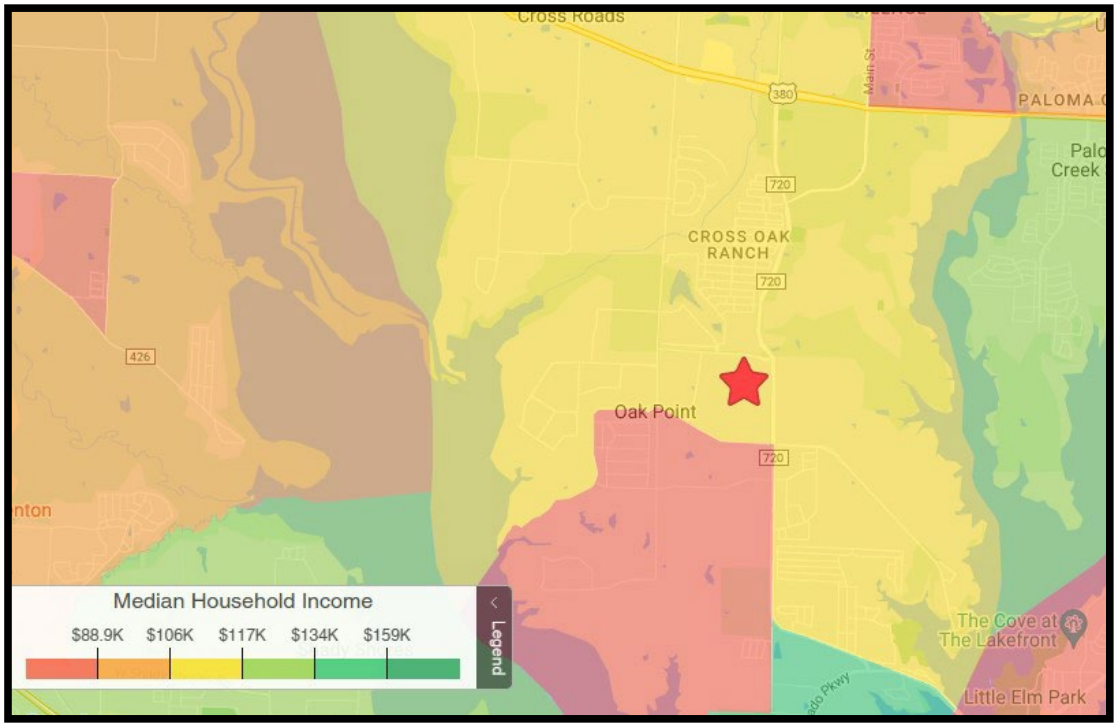
A table of the 2, 5, and 10-mile radius employment figures are shown below. The numbers highlight the area's diverse economy with more employees in the area surrounding the subject in service-producing industries and goods-producing industries.

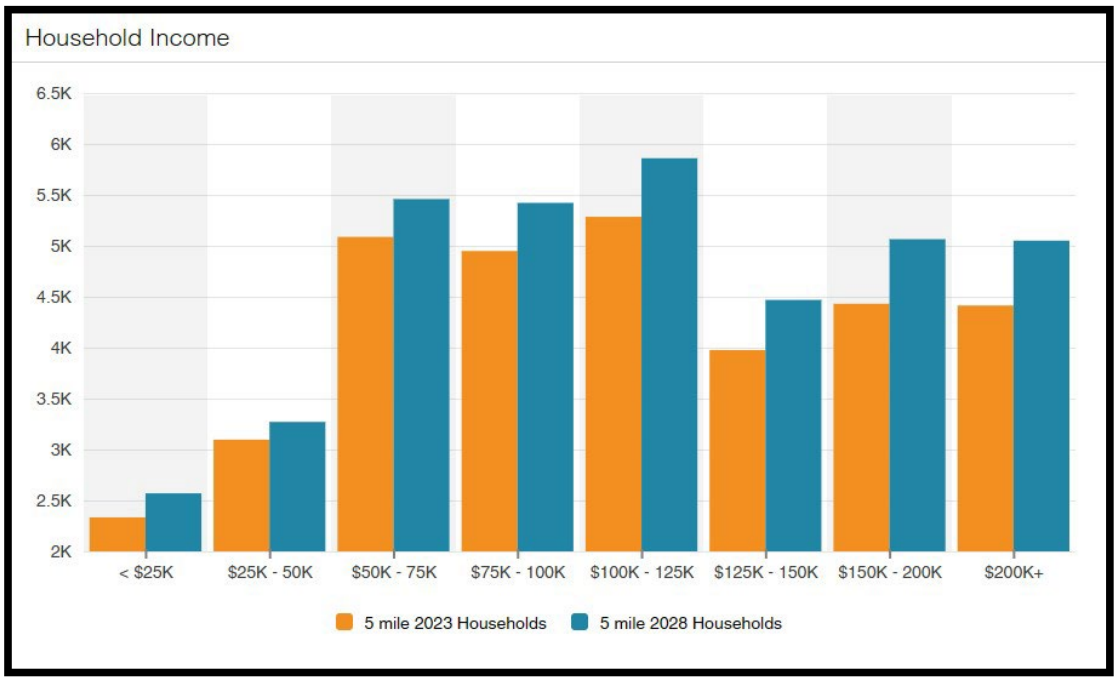
Daytime Employment

Radius	2 mile		5 mile		10 mile	
	Employees	Businesses	Employees	Businesses	Employees	Businesses
Service-Producing Industries	**785**	**153**	**7,604**	**1,257**	**113,833**	**14,538**
Trade Transportation & Utilit…	97	24	935	194	20,568	2,078
Information	0	0	164	19	2,767	257
Financial Activities	76	23	578	178	10,080	1,898
Professional & Business Se…	115	32	808	201	10,353	2,039
Education & Health Services	186	27	2,401	315	31,705	4,664
Leisure & Hospitality	101	11	1,595	149	21,137	1,568
Other Services	135	28	886	172	9,434	1,720
Public Administration	75	8	237	29	7,789	314
Goods-Producing Industries	**190**	**49**	**1,274**	**243**	**12,605**	**1,632**
Natural Resources & Mining	1	1	31	7	202	60
Construction	162	43	896	198	7,651	1,208
Manufacturing	27	5	347	38	4,752	364
Total	**975**	**202**	**8,878**	**1,500**	**126,438**	**16,170**

CoStar Analytics – Map of Median Household Income

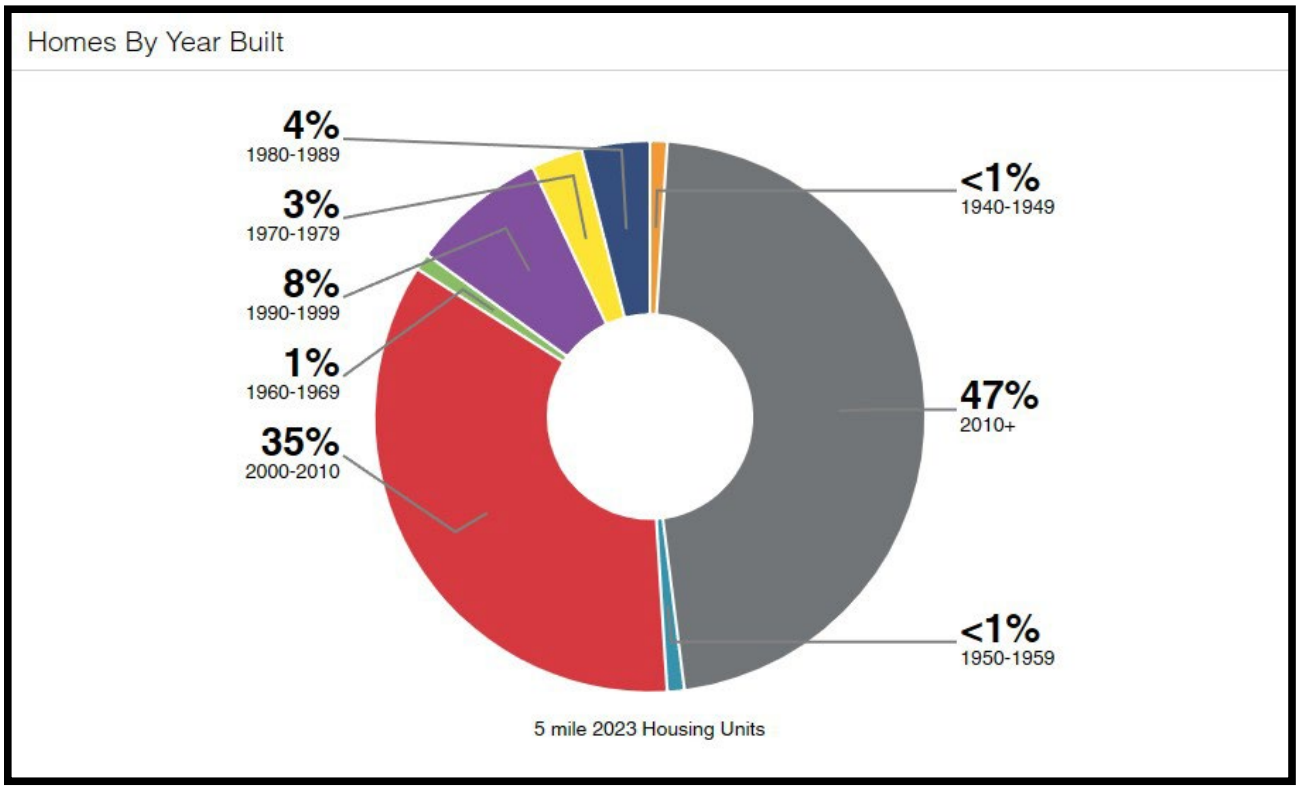
As indicated by the map below, median incomes in the vicinity of the subject property are around $106k-$117k. Median incomes in the DFW tend to be higher in suburban areas outside the population centers in Dallas, Fort Worth, and Denton. This is especially true in areas north of Dallas where affluent communities have concentrated for the past few decades.





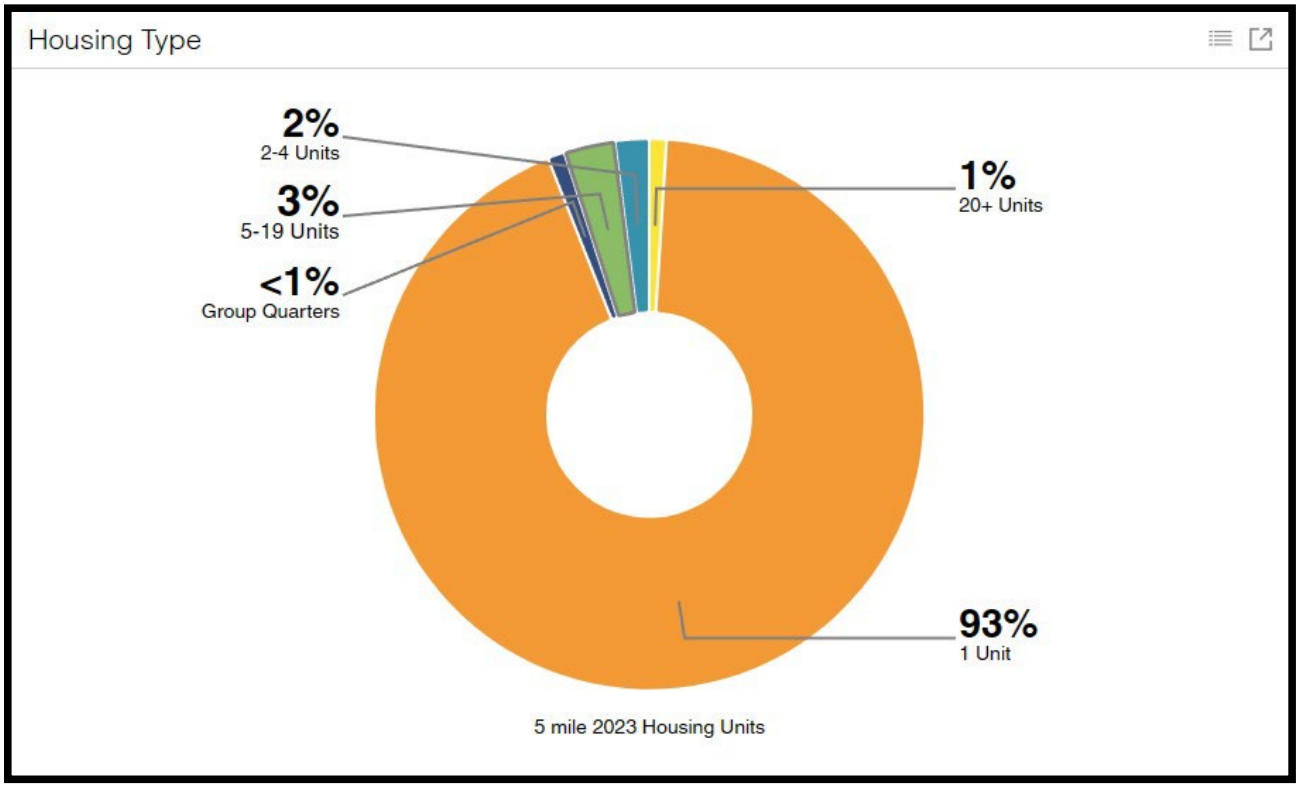
CoStar Analytics – Housing Statistics

Most housing in the area (82%) are homes that were built after 2000. This is consistent with the growth stage of the surrounding area which has experienced numerous residential subdivision developments in recent years.



CoStar Analytics – Housing Statistics

In addition, the vast majority (93%) of housing in the 5-mile radius consists of single unit housing stock. The subject property is being developed with detached single-family housing that is consistent with the surrounding area.



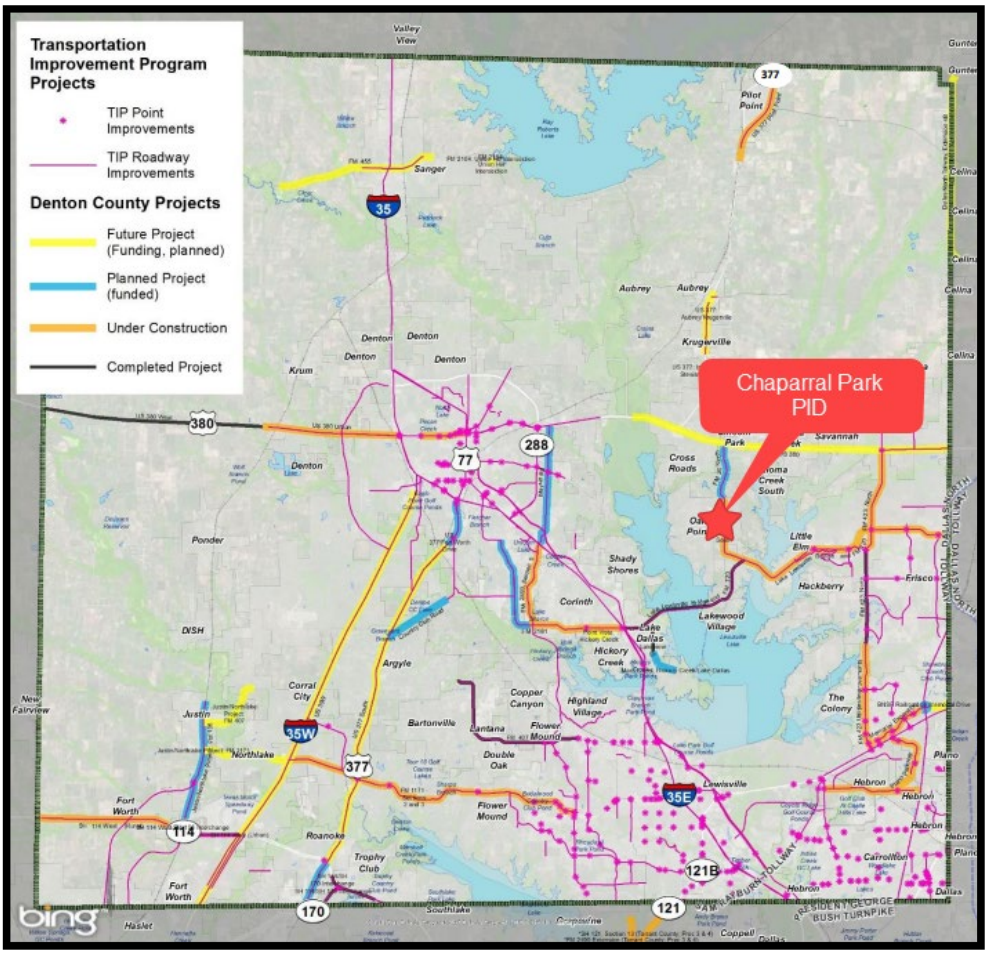
DENTON COUNTY THOROUGHFARE PLAN

Denton County, located in Texas, has seen significant roadway improvements over the years to accommodate its growing population and increasing traffic demands. Some notable projects include:

- Expansion of Interstate 35E (I-35E): Several projects have widened I-35E to alleviate congestion, including the construction of additional lanes and improved interchanges.
- FM 2499 Expansion: This project widened FM 2499 to improve connectivity between Denton and Dallas counties, reducing congestion and improving safety.
- Dallas North Tollway Extension: The extension of the Dallas North Tollway into Denton County has enhanced connectivity and eased traffic congestion in the region.
- Loop 288 Improvements: Loop 288, a major thoroughfare in Denton, has undergone improvements to enhance traffic flow and safety.
- US 380 Bypass: Plans for a US 380 bypass around the cities of Denton and McKinney are in progress to improve traffic flow and reduce congestion in the area.

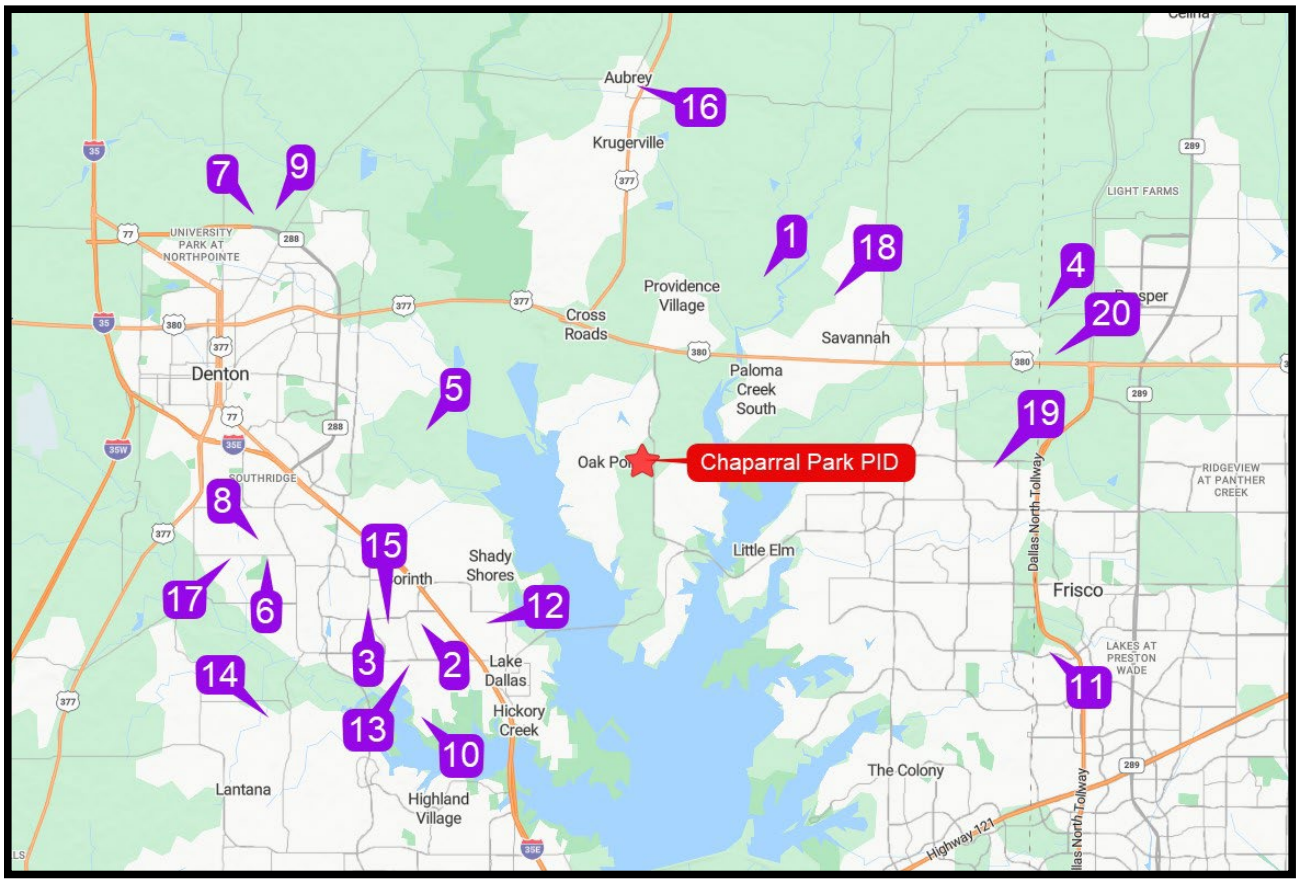
These improvements are part of Denton County's ongoing efforts to enhance its transportation infrastructure to support its growing population and economy.

Map of Transportation Improvement Program Projections



Map of Notable Nearby Developing Residential Subdivisions

A map of notable built-out, developing, and planning single-family residential subdivision is shown below which highlights the similar and conforming uses around the subject property.



MAP KEY					
1	Woodstone (Providence Village)	*9*	Stark Farms	*17*	Reserve at Creekside
2	Tower Ridge Addition	*10*	Sycamore Cove	*18*	Winn Ridge
3	Ashford Park (Corinth)	*11*	Wyndsor Pointe	*19*	Northwood Manor
4	Edgewood Creek	*12*	River Oak Way Addition	*20*	Villages at Legacy/Hills
5	Townsend Green	*13*	Lennon Creek		
6	Parkvue	*14*	Lantana/Barrington		
7	Stuart Ridge	*15*	Amherst (Corinth)		
8	Woodmere	*16*	DeMoye-Magnolia Addition		

ABSORPTION ANALYSIS

RESIDENTIAL ANALYSIS

The subject property is Chaparral Park PID which consists of approximately 56.936 acres in Denton County being developed into detached single-family lots for residential use. The property is being developed and owned by Bloomfield Homes, L.P.

When analyzing the financially feasible and maximally productive use of the site, uses that are both physically possible and legally permissible must be considered. An important factor affecting the development of the subject is the surrounding land usage. For the subject property, the primary potential use is single-family residential development as that conforms to recent land development in the City of Oak Point. The neighborhood is best described as the area, west of West Farm-to-Market Road 720, east of Winchester Road, south of Martop Road, and north of McCormick Road. The neighborhood is mainly residential developments to the east, commercial and agricultural land to the south, single family development to the north, and Rodriguez Middle School to the west. Approximately 2.4 miles north of the subject property, U.S. Highway 380 which runs east/west, has several community commercial uses which are located on this arterial traffic carrier.

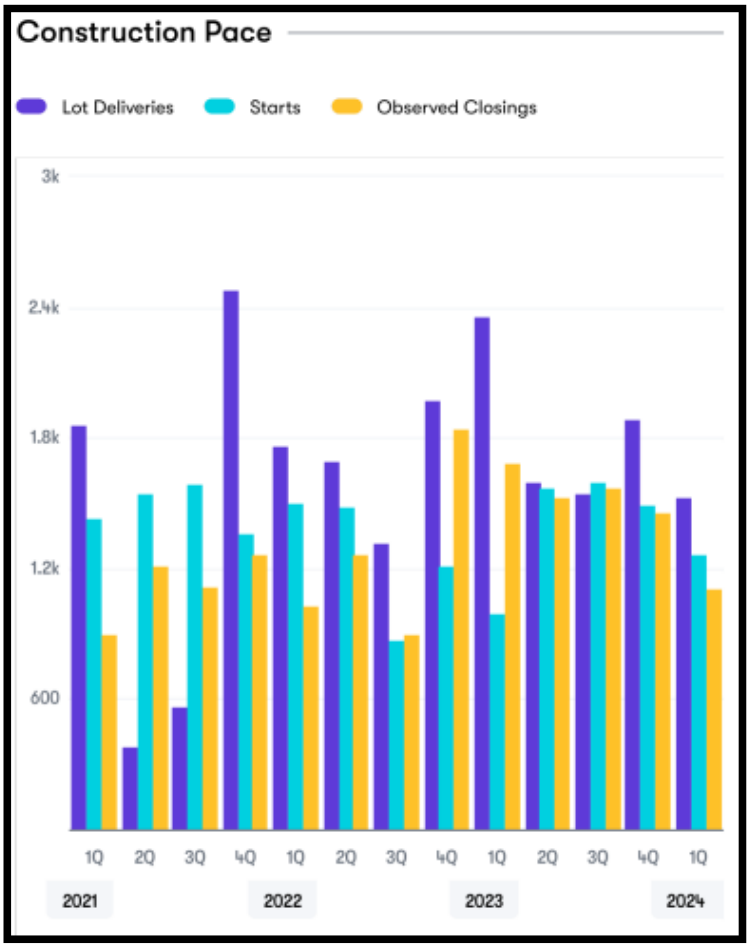
Since the recession in 2008, the residential real estate market in this area of North Texas has continuously improved, and the City of Oak Point has experienced this consistent population growth. Low interest rates persisted nationally in 2020 and 2021 and the markets rose significantly, but 2022 and 2023 were the years of higher interest rates as the Fed seeks to combat inflation. Still, with large numbers of in-migration from outside DFW from higher cost-of-living states and an abundance of steady jobs, demand for residential real estate in growing communities like Oak Point is expected to remain strong. Those end-user homebuyers in Chaparral Park PID are expected to be middle-to-upper income earners as the average home price for finished single-family homes in the community is expected to be $500,000 for the 50-FF lots and 55-FF Lots and $600,000 for the 60-FF Lots 65-FF Lots.

Demand for vacant developed lots (VDLs) for home builders is currently very high; however, material and labor shortages were well-publicized in 2021 and are expected to continue with some easing in late-2022 and in 2023 according to the Texas Real Estate Research Center. Developable residential land in DFW with good access to Fort Worth and Dallas is in high demand with developments moving ever further away from the Fort Worth and Dallas CBDs and highly developed areas north of Fort Worth and Dallas where vacant land is scarce after decades of growth. The subject property –Chaparral Park PID– is removed from the large Central Business Districts in the Metroplex but relatively near areas of Denton and Collin Counties where many young families have migrated when searching for safe neighborhoods, good schools, relatively affordable new homes, and desirable residential amenities.

Based on the preceding, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Zonda as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends and current available data. Since the first residential lots are not scheduled to be complete until October, 1 2025, we will analyze the historical trends and attempt to forecast the absorption rates based off data, analytics, and our conversations with developers in the market.

We determined a 10-mile radius around the subject property is suitable for our absorption analysis as the competitive supply of lots is within this area. Further, we examined residential communities with lot widths between 45'-70'.

The following chart reflect starts, deliveries, and closings in the market area from 1Q2021. Sales dipped from 1Q2021-3Q2021, then increased from 4Q2021 before once again decreasing from 1Q2022 to 3Q2022, then increased from 4Q2022-1Q2023 before decreasing and stabilizing from 2Q2023-1Q2024. As expected, the rate of annual starts has remained steady in the past year as homebuilders anticipated increased demand due to rising interest rates. The area has also been steady in the rate of closings as reflected in the numbers reported by Zonda.

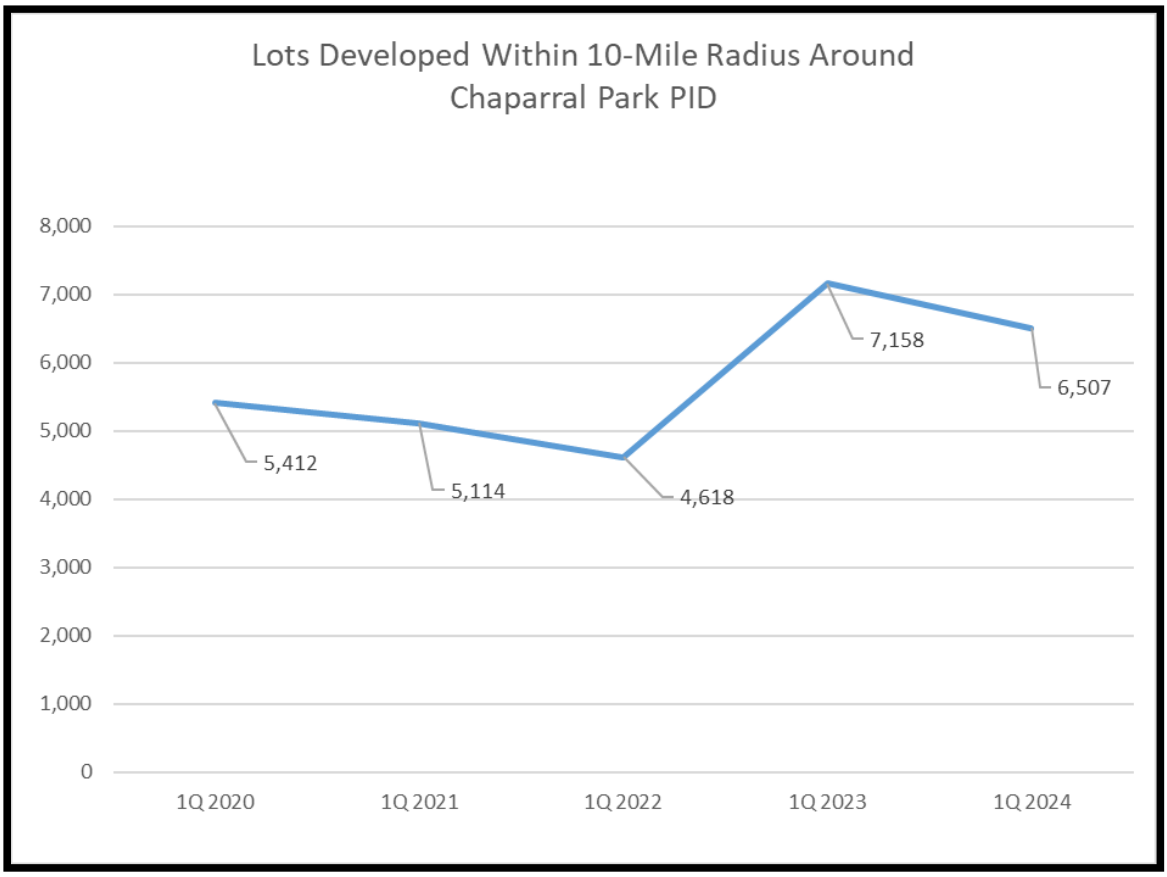


DEFINED SUBMARKET AREA

As shown in the previous chart, the absorption of lots (determined from home construction starts) within the selected area was stable from 1Q2021 to 2Q2022, then slightly dipped in 3Q2022-1Q2023 before increasing and stabilizing from 2Q2023-1Q2024. According to Zonda, the selected area absorbed the following number of 45'-70' lots year-over-year from 1Q2020 to 1Q2024:

- 1Q2020 – 5,412 lots absorbed
- 1Q2021 – 5,114 lots absorbed
- 1Q2022 – 4,618 lots absorbed
- 1Q2023 – 7,158 lots absorbed
- 1Q2024 – 6,507 lots absorbed

From 2020-2024, the *annual average* of lots absorbed was 5,762 (28,809÷5). Utilizing the more recent 24-month absorption of lots (1Q2022 to 1Q2024), the annual average of lots absorbed increased to 6,094 (18,283÷3) lots in the area.

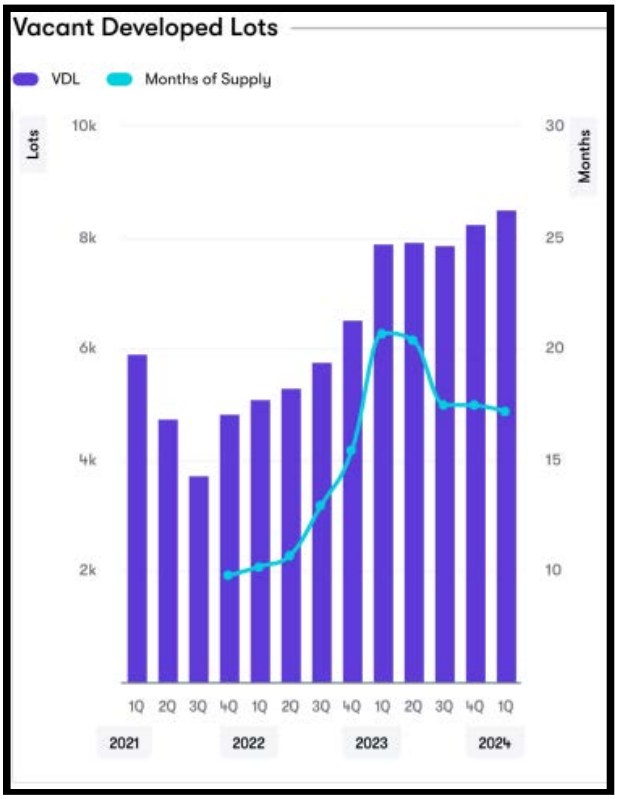


COMPETITIVE SUPPLY (LOT INVENTORY)

According to Zonda, the existing supply of available housing is presently far below balanced levels in our selected submarket as the number of Vacant Developed Lots (VDLs) in the area has dipped from 1Q2021 to 3Q2021 to a low of 3,800 which has then increased from 4Q2021-1Q2024 to ***a present VDL count of 8,200 with a ~17-month supply***. It should be noted that this is a large radius – 10 miles – for such a developed single-family

residential area but we determined prospective buyers would search subdivisions throughout Denton County with a preference to be near the I-35 and 380 Corridor which serves as a major thoroughfare and has numerous newer master-planned communities and desirable commercial options.

Thus, the total lot supply is considered to be considerably **below** the ideal supply levels for a significantly developing market. Also, taking into consideration that new developments require a typical 12-to-18-month construction period, *with increasing demand and declining lot supply, it appears that additional lot product in the submarket is feasible and needed at the current time*. This corresponds to discussions we had with DFW homebuilders who state there is a scarcity of vacant developed lots currently on the market which is pushing prices higher.



Note: A threat to the pace of lot development is multiple interest rate increases the Federal Reserve enacted as a reaction to rising inflation. These interest rate increases were conducted to combat inflation and cool the hot markets; however, the effect for residential housing may be to price first-time buyers out of the single-family residential market. Supply chain issues stemming back to the COVID-19 Pandemic have also increased development costs which may limit starts on the vacant developed lots thus leading to lower VDL and future home supply, thus increasing home prices. In general, we believe the diverse local economy, strong in-migration, and relative stability of the North Texas real estate market will serve to smooth out more global economic trends.

Having considered the supply of lots in the market, it is now prudent to examine the absorption history of specific competing subdivisions in the subject's market area with similar lot features and amenities relative to the subject to determine the projected absorption of the subject's proposed lots.

ABSORPTION ANALYSIS – 50', 55', 60' AND 65' LOTS

The similarities considered to be most important are lot size, home price range, and amenity features. The tables that follow detail the active subdivisions that are considered to compete with the subject's lots. All data is per Zonda as of 1Q2024.

50' Lots

We included data for lots that were each 45'-55' lots within a 10-mile radius. Since data on 45'-55' lots is relatively plentiful, we selected twelve comparable absorption schedules at nearby communities we concluded are similar to the subject and considered some of these communities are smaller and some larger than Chaparral Park PID.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Woodstone (Providence Village)	50'-55'	144	80	12	21.6	**6.7**
Tower Ridge Addition	50'	5	12	12	5.0	**1.0**
Ashford Park (Corinth)	50'	57	64	12	10.7	**5.3**
Edgewood Creek	50'	94	207	12	5.4	**17.3**
Townsend Green	50'	23	127	12	2.2	**10.6**
Parkvue	50'	24	18	12	16.0	**1.5**
Stuart Ridge	50'	89	157	12	6.8	**13.1**
Woodmere	50'	74	56	12	15.9	**4.7**
Stark Farms	50'	149	71	12	25.2	**5.9**
Camey Place	45'	53	4	12	159.0	**0.3**
Sycamore Cove	55'	0	48	12	0.0	**4.0**
Wyndsor Pointe	55'	2	6	12	4.0	**0.5**
AVERAGE		***59.5***	***70.8***	***12.0***	***22.6***	***5.9***

Our analysis indicates Starts/Month is between 0.3 and 17.3 with an average of 5.9 starts/month and a median of 5.0 starts/month. We similarly weighed and considered **the subject property's 50' lots would likely absorb 6 lots/month, or approximately 18 lots per quarter.**

55' Lots

Again, for the 55' lots, we included data for lots within a 10-mile radius and included 50'-60' lots in our analysis. Data on 55' lots is still relatively plentiful, so we selected eighteen comparable absorption schedules at nearby communities which are shown on the following page:

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Woodstone (Providence Village)	50'-55'	144	80	12	21.6	**6.7**
Tower Ridge Addition	50'	5	12	12	5.0	**1.0**
Ashford Park (Corinth)	50'	57	64	12	10.7	**5.3**
Edgewood Creek	50'	94	207	12	5.4	**17.3**
Townsend Green	50'	23	127	12	2.2	**10.6**
Parkvue	50'	24	18	12	16.0	**1.5**
Stuart Ridge	50'	89	157	12	6.8	**13.1**
Woodmere	50'	74	56	12	15.9	**4.7**
Stark Farms	50'	149	71	12	25.2	**5.9**
Sycamore Cove	55'	0	48	12	0.0	**4.0**
Wyndsor Pointe	55'	2	6	12	4.0	**0.5**
River Oak Way Addition	60'	6	1	12	72.0	**0.1**
Lennon Creek	60'	1	61	12	0.2	**5.1**
Lantana/Barrington	60'	0	2	12	0.0	**0.2**
Amherst (Corinth)	60'	20	5	12	48.0	**0.4**
DeMoye-Magnolia Addition	60'	2	3	12	8.0	**0.3**
Reserve at Creekside	60'	0	1	12	0.0	**0.1**
Winn Ridge	50'-60'	14	201	12	0.8	**16.8**
AVERAGE		***39.1***	***62.2***	***12.0***	***13.4***	***5.2***

Our analysis indicates Starts/Month is between 0.1 and 17.3 with an average of 5.2 starts/month with a median of 4.3 starts/month. We similarly weighted and considered **the subject property's 55' lots would likely absorb 5 lots/month, or approximately 15 lots per quarter.**

60' and 65' Lots

Again, for the 60' and 65' lots, we included data for lots within a 10-mile radius and included 55'-70' lots in our analysis. Data on 60' and 65' lots is still relatively plentiful, so we selected ten comparable absorption schedules at nearby communities which are shown on the following page:

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Sycamore Cove	55'	0	48	12	0.0	**4.0**
Wyndsor Pointe	55'	2	6	12	4.0	**0.5**
Northwood Manor	55'-64'	0	6	12	0.0	**0.5**
River Oak Way Addition	60'	6	1	12	72.0	**0.1**
Lennon Creek	60'	1	61	12	0.2	**5.1**
Lantana/Barrington	60'	0	2	12	0.0	**0.2**
Amherst (Corinth)	60'	20	5	12	48.0	**0.4**
DeMoye-Magnolia Addition	60'	2	3	12	8.0	**0.3**
Reserve at Creekside	60'	0	1	12	0.0	**0.1**
Villages at Legacy/Hills	65'-70'	0	9	12	0.0	**0.8**
AVERAGE		***3.1***	***14.2***	***12.0***	***13.2***	***1.2***

Our analysis indicates Starts/Month is between 0.1 and 5.1 with an average of 1.2 starts/month with a median of 0.5 starts/month. We similarly weighted and considered **the subject property's 60' and 65' lots would likely absorb 3 lots/month, or approximately 9 lots per quarter.**

Absorption Summary Projection: 50', 55', 60' and 65' Lots

Based on the preceding, we estimate that lots in the subject property's development will sell 18 lots/quarter for 50' lots, 15 lots/quarter for 55' lots, and 9 lots/quarter for 60' and 65' lots with absorption beginning October, 1 2025. An Absorption Summary Projection for all lot types is shown in the table below for the 241 lots in Chaparral Park PID Phase 1 and Phase 2.

Projected Quarterly Absorption Summary - Chaparral Park Phase 1 and Phase 2									
Lot Type	*Oct-2025*	*Jan-2026*	*Apr-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*Jul-2027*	**TOTAL**
50-FF	18	18	18	18	10	-	-	-	**82**
55-FF	15	15	15	12	-	-	-	-	**57**
60-FF	9	9	9	9	9	9	9	2	**65**
65-FF	9	9	9	9	1				**37**
Total	**51**	**51**	**51**	**48**	**20**	**9**	**9**	**2**	**241**

The total absorption period for the 50' lots is expected to be 13.6 months (82 lots ÷ 6 lots/month), and lots are expected to sell out in November 2026. The total absorption period for the 55' lots is expected to be 11.4 months (57 lots ÷ 5 lots/month), and lots are expected to sell out in September 2026. The total absorption period for the 60' lots is expected to be 21.6 months (65 lots ÷ 3 lots/month), and lots are expected to sell out in July 2027. The total absorption period for the 65' lots is expected to be 12.3 months (37 lots ÷ 3 lots/month), and lots are expected to sell out in October 2026.

SUBJECT PROPERTY ANALYSIS

The entire development of Chaparral Park PID represents a total of approximately 131.705 acres, with 56.936 acres (2,480,132-SF) in Phase 1 and Phase 2 currently being developed as follows:

- Phase 1 and Phase 2 within Chaparral Park PID will consist of 82 50-FF lots, 57 55-FF lots, 65 60-FF lots, and 37 65-FF lots with a total of 241 improved residential lots on approximately 56.936 acres.

The following chart shows the first two phases of Chaparral Park PID, Phase 1 and Phase 2.

Chaparral Park PID Phase 1 and Phase 2						
Area Type	**Size (Acres)**	**50' Lot Type**	**55' Lot Type**	**60' Lot Type**	**65' Lot Type**	**Total Lots Appraised**
Phase 1	*44.354*	*66*	*42*	*51*	*20*	*179*
Phase 2	*12.582*	*16*	*15*	*14*	*17*	*62*
Total	56.936	**82**	**57**	**65**	**37**	**241**

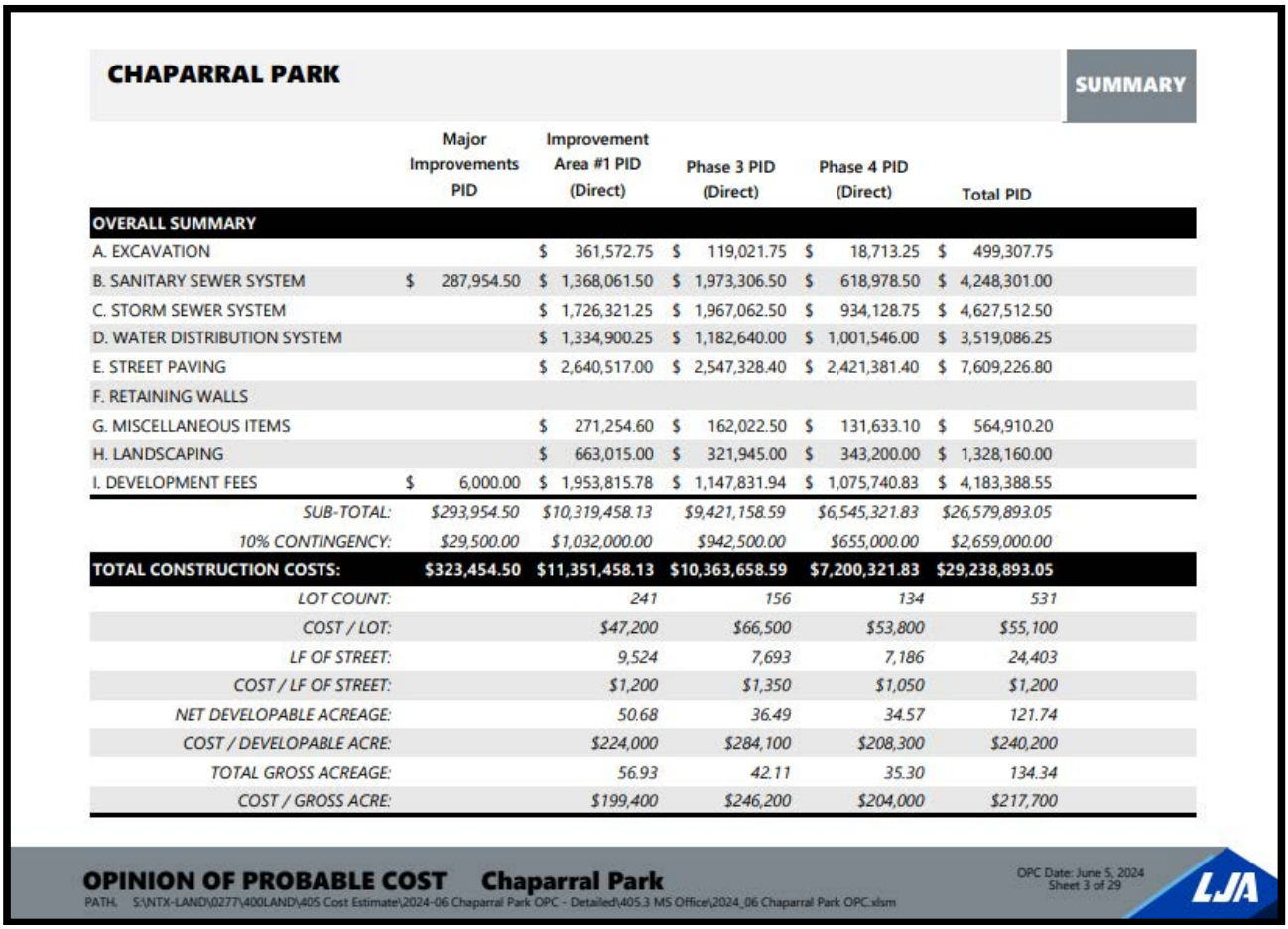
Chaparral Park PID is owned by Bloomfield Homes, L.P., who will be the developer. Bloomfield Homes, L.P. is a nationally recognized homebuilder and is also well-known within the subject's market area for building affordable housing for first- and second-time homebuyers. Chaparral Park PID is located in the eastern portion of Denton County approximately 12 miles east of Denton in the DFW Metroplex. The area surrounding the subject property is a mix of commercial and residential uses and has been developed with large master-planned communities that are generally suitable for middle- to upper-income households.

Access to the subject property is considered average as it is located along West Farm-to-Market Road 720, and approximately 2.4 miles south of U.S. Highway 380. Generally, the main retail and commercial options near the subject site are found along US Highway 380 or Interstate 35, which has been rapidly developing with a number of master-planned communities in the past decade.

Based on the Development Agreement between the City of Oak Point and Bloomfield Homes, L.P., Chaparral Park PID will have a mandatory homeowner's association (HOA) over residential portions of the subject property in order to maintain the open spaces, common areas, detention areas, and other related improvements or appurtenances that are not dedicated or maintained by the City of Oak Point.

Based on research and discussion with the development team, the price point of homes in the subject's community will be $500,000 for the 50-FF lots and 55-FF lots, and $600,000 for the 60-FF lots 65-FF lots, which should be a desirable price point for middle- to upper- income homebuyers looking for a quiet community outside a major city such as Denton but with the amenities of a planned residential community.

We were provided with the following table of budgeted costs for the 241 Lots in Chaparral Park PID:



CHAPARRAL PARK — SUMMARY

	Major Improvements PID	Improvement Area #1 PID (Direct)	Phase 3 PID (Direct)	Phase 4 PID (Direct)	Total PID
OVERALL SUMMARY					
A. EXCAVATION		$ 361,572.75	$ 119,021.75	$ 18,713.25	$ 499,307.75
B. SANITARY SEWER SYSTEM	$ 287,954.50	$ 1,368,061.50	$ 1,973,306.50	$ 618,978.50	$ 4,248,301.00
C. STORM SEWER SYSTEM		$ 1,726,321.25	$ 1,967,062.50	$ 934,128.75	$ 4,627,512.50
D. WATER DISTRIBUTION SYSTEM		$ 1,334,900.25	$ 1,182,640.00	$ 1,001,546.00	$ 3,519,086.25
E. STREET PAVING		$ 2,640,517.00	$ 2,547,328.40	$ 2,421,381.40	$ 7,609,226.80
F. RETAINING WALLS					
G. MISCELLANEOUS ITEMS		$ 271,254.60	$ 162,022.50	$ 131,633.10	$ 564,910.20
H. LANDSCAPING		$ 663,015.00	$ 321,945.00	$ 343,200.00	$ 1,328,160.00
I. DEVELOPMENT FEES	$ 6,000.00	$ 1,953,815.78	$ 1,147,831.94	$ 1,075,740.83	$ 4,183,388.55
SUB-TOTAL:	*$293,954.50*	*$10,319,458.13*	*$9,421,158.59*	*$6,545,321.83*	*$26,579,893.05*
10% CONTINGENCY:	*$29,500.00*	*$1,032,000.00*	*$942,500.00*	*$655,000.00*	*$2,659,000.00*
TOTAL CONSTRUCTION COSTS:	**$323,454.50**	**$11,351,458.13**	**$10,363,658.59**	**$7,200,321.83**	**$29,238,893.05**
LOT COUNT:		*241*	*156*	*134*	*531*
COST / LOT:		*$47,200*	*$66,500*	*$53,800*	*$55,100*
LF OF STREET:		*9,524*	*7,693*	*7,186*	*24,403*
COST / LF OF STREET:		*$1,200*	*$1,350*	*$1,050*	*$1,200*
NET DEVELOPABLE ACREAGE:		*50.68*	*36.49*	*34.57*	*121.74*
COST / DEVELOPABLE ACRE:		*$224,000*	*$284,100*	*$208,300*	*$240,200*
TOTAL GROSS ACREAGE:		*56.93*	*42.11*	*35.30*	*134.34*
COST / GROSS ACRE:		*$199,400*	*$246,200*	*$204,000*	*$217,700*

OPINION OF PROBABLE COST **Chaparral Park**
PATH: S:\NTX-LAND\0277\400LAND\405 Cost Estimate\2024-06 Chaparral Park OPC - Detailed\405.3 MS Office\2024_06 Chaparral Park OPC.xlsm
OPC Date: June 5, 2024
Sheet 3 of 29
LJA

The above-mentioned Budgeted Costs are provided by LJA Engineering, Inc, the Professional Engineers. The figures shown in the previous table may be revised in Annual Service Plan Updates and may be reallocated between line items upon approval by the County so long as the total Authorized Improvements amount and the benefit allocation does not change.

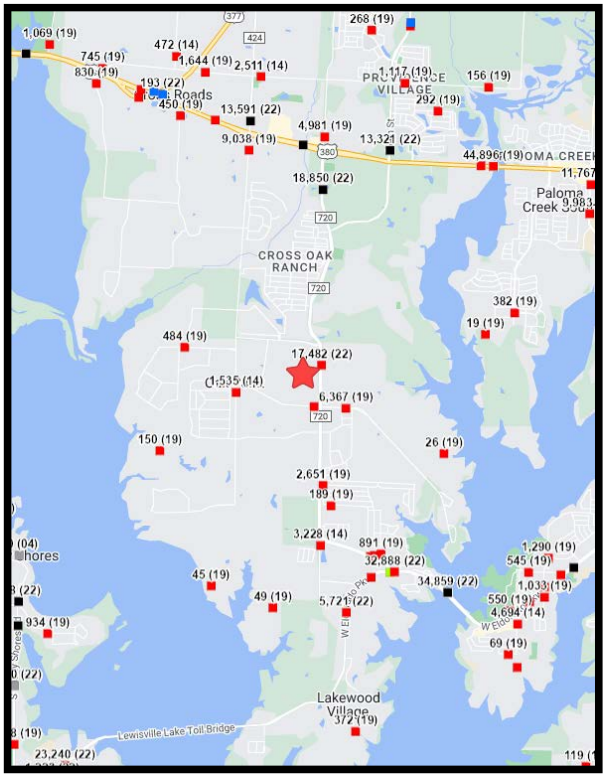
The preceding general descriptions of the subject's characteristics are based on review of available maps and data sources, as well as our physical on-site observations. Please refer to copies of the maps, photographs, and renderings for a visual perspective of the subject's physical characteristics.

ACCESSIBILITY, FRONTAGE, AND STREETS

The subject property is primarily accessed by West Farm-to-Market Road 720 which is a north/south bound, primary throughfare in the City of Oak Point and transverses east of the subject property. The subject site is approximately 2.4 miles south of U.S. Highway 380, which is a major highway that transverses through Denton County.

A map from TXDOT and a table from CoStar are shown on the following pages which highlight traffic counts in the vicinity shown on the following map. Notably, West Farm-to-Market Road 720 runs to the east of the property and has over 17,400 average daily vehicles while U.S. Highway 380, which is 2.4 miles north of the property, carries approximately 44,900 vehicles per day.

TXDOT Traffic Web Viewer



Traffic

Collection Street	Cross Street	Traffic Volume	Count Year
McCormick Rd	Shahan Prairie Rd E	2,911	2022
Shahan Prairie Rd	McCormick Rd W	1,689	2022
Yacht Club Rd	McCormick Rd N	3,580	2022
Cottonwood Trl	Post Oak Ln E	1,504	2022
Misty Trl	Edgewood Dr E	205	2022
Lloyd Rd	Pvt Rd 6801 SE	1,117	2018
Knob Hill Dr	High Meadow Dr W	19	2022
FM 720	Edgewood Dr SE	13,301	2022
Crestwood Pl	Oakland N	884	2022
Carter	Cove Trl SW	482	2018

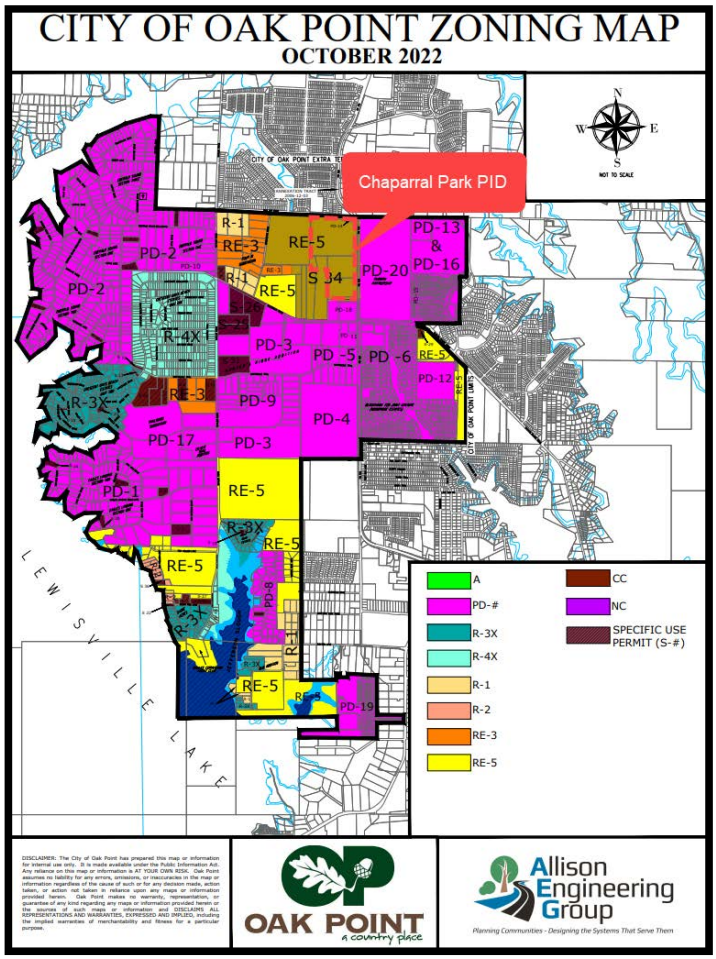
ZONING AND RESTRICTIONS

The City of Oak Point has passed Resolution No. 2024-04-12R, signed April 30, 2024 to create Chaparral Park Public Improvement District, which covers the 131.705 contiguous acres containing all four phases of Chaparral Park PID. Development of the subject property is governed by a Development Agreement between Bloomfield Homes, L.P. and the City of Oak Point. The Development Agreement for the subject property we are evaluating (241 lots in Phase 1 and Phase 2) allows for detached single-family residential uses and sets forth requirements and standards for residential development for the subject property.

The Chaparral Park PID is zoned Planned Development-21 (PD-21) by the City of Oak Point via Ordinance No. 2023-06-596, signed June 21, 2023, and Ordinance No. 2023-10-609, signed October 18, 2023. The Planned Development zoning in the City of Oak Point is intended to provide for combining and mixing of uses to permit flexibility in the use and design of land and buildings; however, our subject property (Chaparral Park PID Phase 1 and Phase 2) only encompasses single-family. The subject must adhere to the City of Oak Points ordinance for PD-R zoning.

The proposed lot construction appears to be a conforming land use. The City of Oak Point Zoning Map is shown below which has not been updated to reflect the recent rezoning of the subject.

CITY OF OAK POINT ZONING MAP

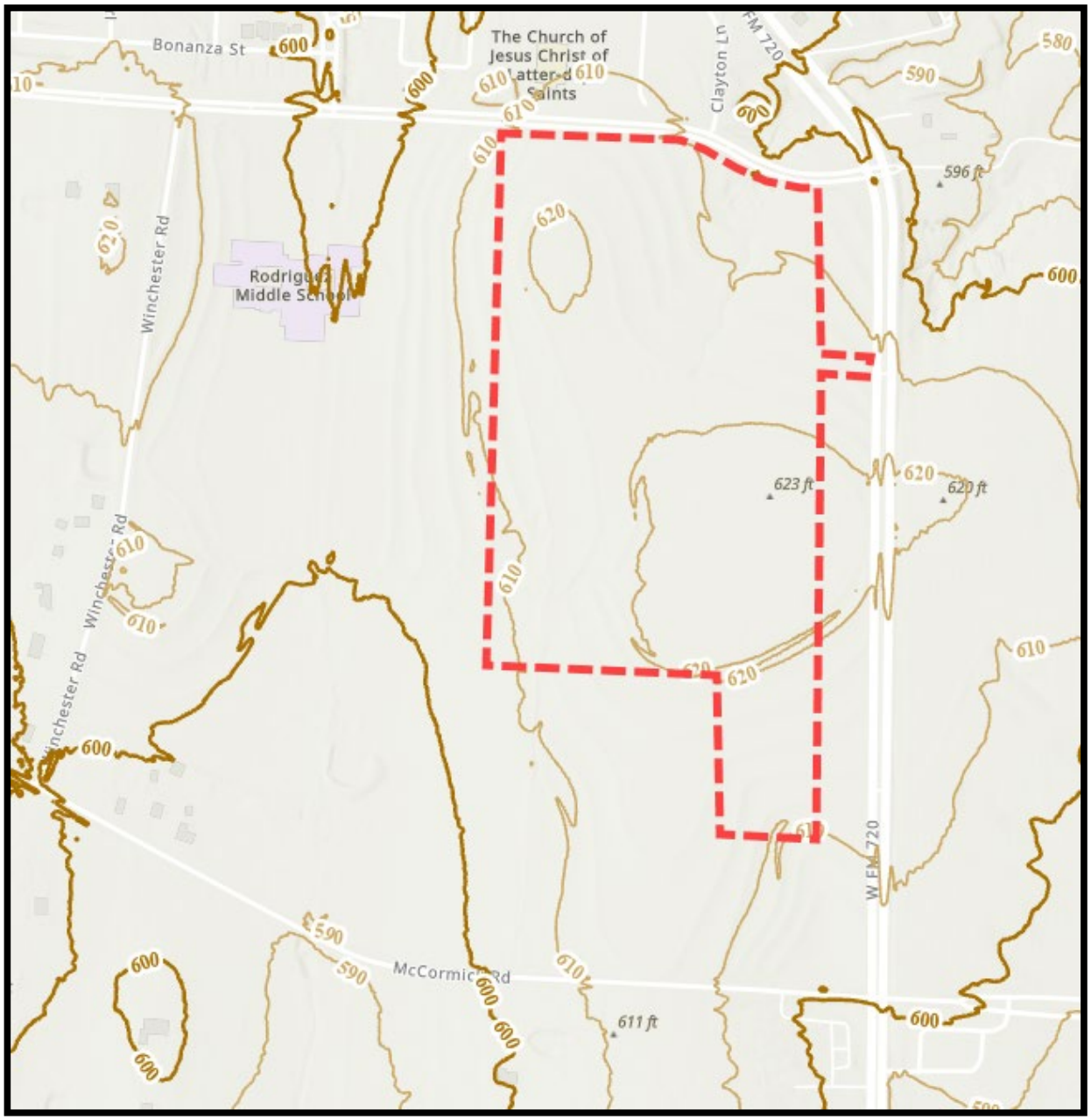


TOPOGRAPHY

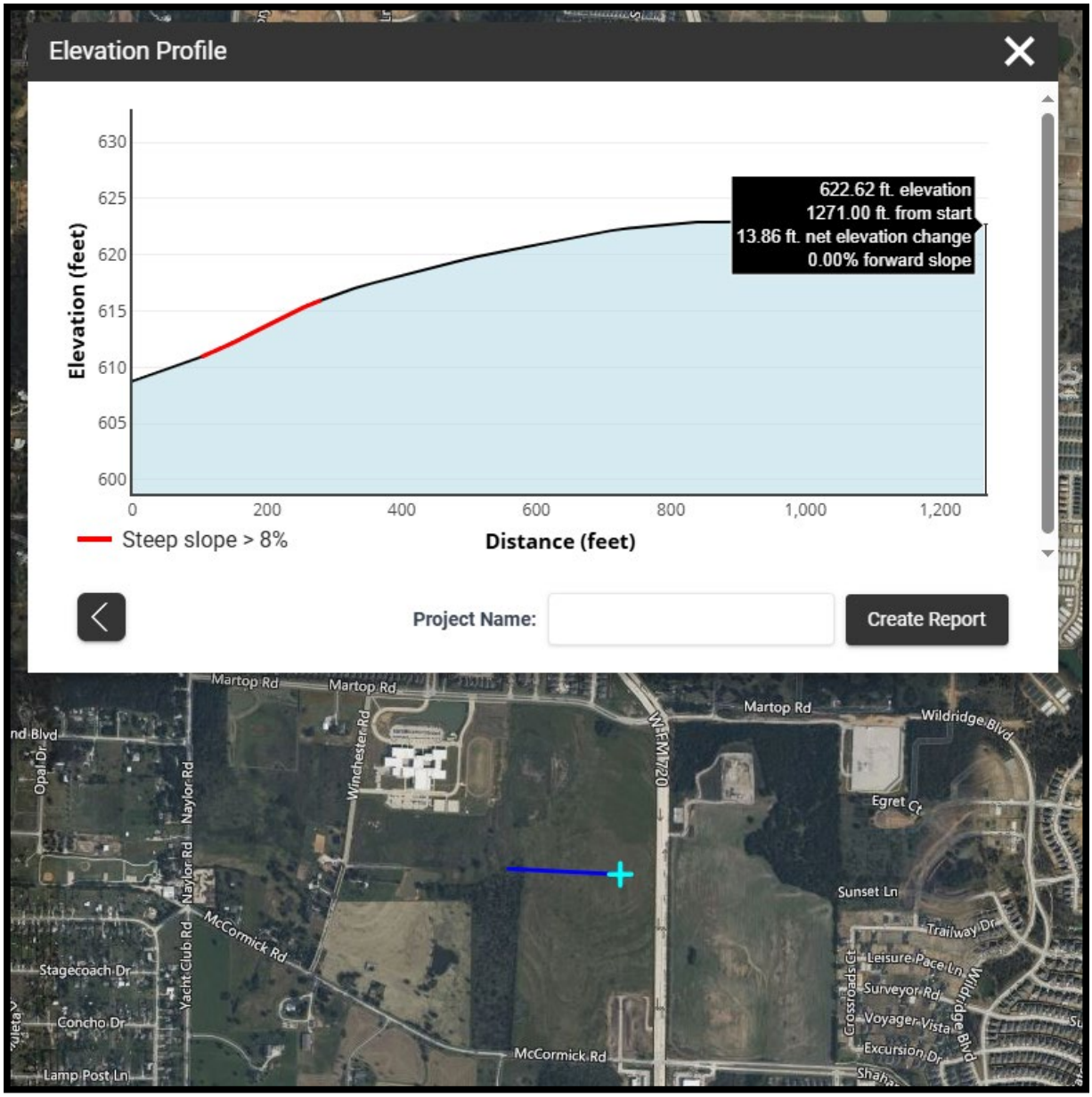
The topography of the subject property is described as gently sloping and earthwork had begun prior the date of inspection. As of the inspection date, May 20, 2024, these topographic maps showing the contours are slightly out-of-date as the site is in the process of being improved for single-family lots with streets, storm sewer, and utilities. Topographic information is provided by the North Central Texas Council of Governments and Texas A&M Forest Service.

TOPOGRAPHIC MAP

Contours At 10'; Bold at 100'



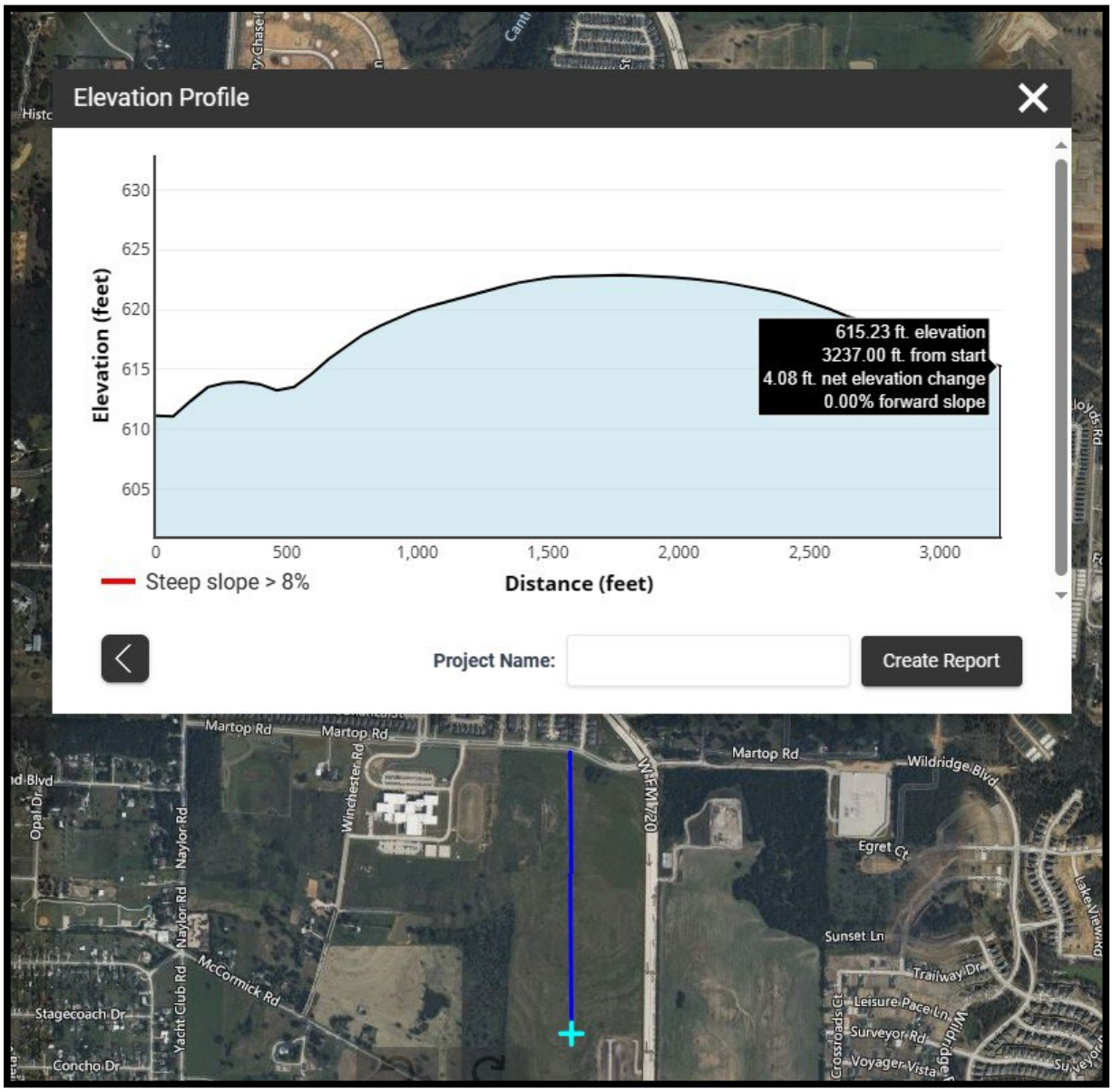
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY



General Slope of the Property Moving from West to East

- *Note that measurements <u>are in feet</u>*
- *Elevation profile is represented along illustrated axis*
- *Property slopes west to east with approximately 13.86 feet of variation over approximately 1,271 feet of run*

TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY



General Slope of the Property Moving from South to North

- *Note that measurements <u>are in feet</u>*
- *Elevation profile is represented along illustrated axis*
- *Property slopes south to north with approximately 4.08 feet of variation over approximately 3,237 feet of run*

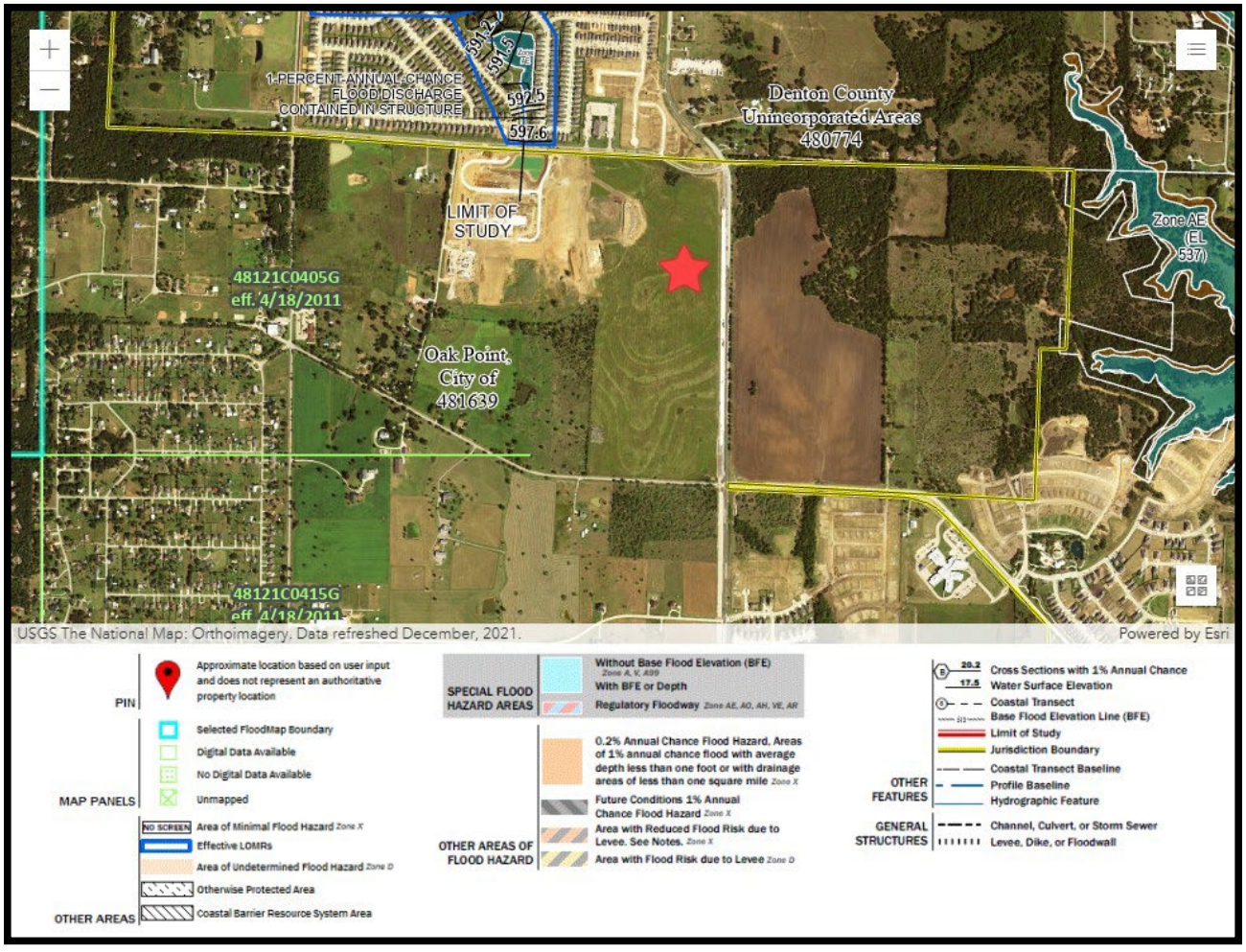
SOIL AND SUB-SOIL CONDITIONS

No soil engineer's report was available to the appraisers and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement to be constructed. As of the report date the developer has excavation and earthwork underway. Our value conclusions are subject to revision should assumptions that land is stable prove incorrect. We caution and advise the user of this report to obtain engineering studies which may be required to ascertain any structural integrity.

FEMA FLOOD ZONE

Chaparral Park PID is within Unshaded Zone X (outside the floodplain) according to Map 48121C0405G, effective April 18, 2011. Per the provided Site Map, the improvements will be developed within Unshaded Zone X. Development within Unshaded Zone X does not appear to be detrimental to the development of the subject property.

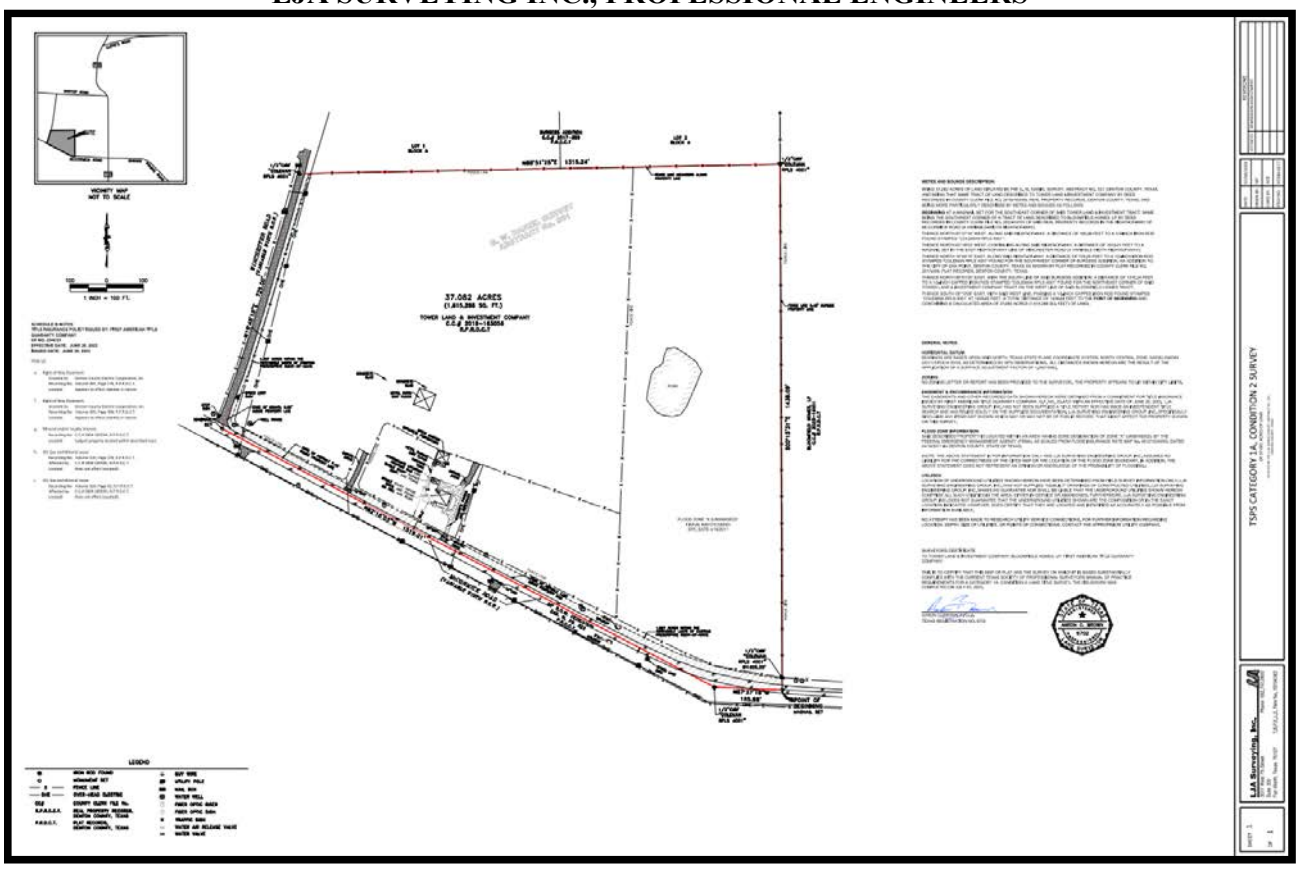
FLOODPLAIN MAP



UTILITIES

Electricity to the property will be maintained by Oncor and natural gas will be maintained by Atmos. Water and Sewer will be provided by the Mustang Special Utility District. The subject property is served by the Oak Point Police Department and Oak Point Fire Department for fire and medical services. Telephone, fiber-optic, and internet are available through AT&T, Spectrum, T-Mobile, Optimum, and Nextlink.

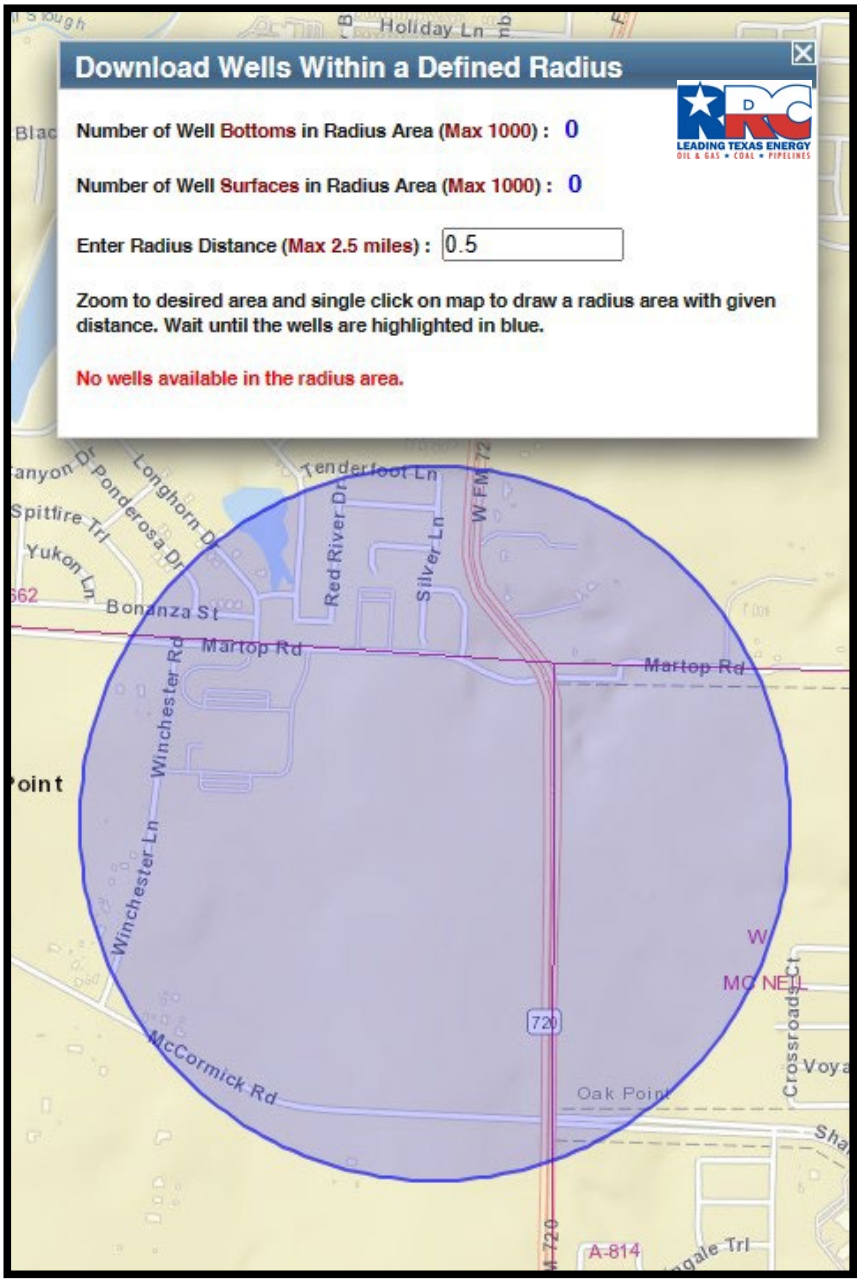
SURVEY WITH FUTURE WATER TOWER BY
LJA SURVEYING INC., PROFESSIONAL ENGINEERS



EASEMENTS/ENCROACHMENTS

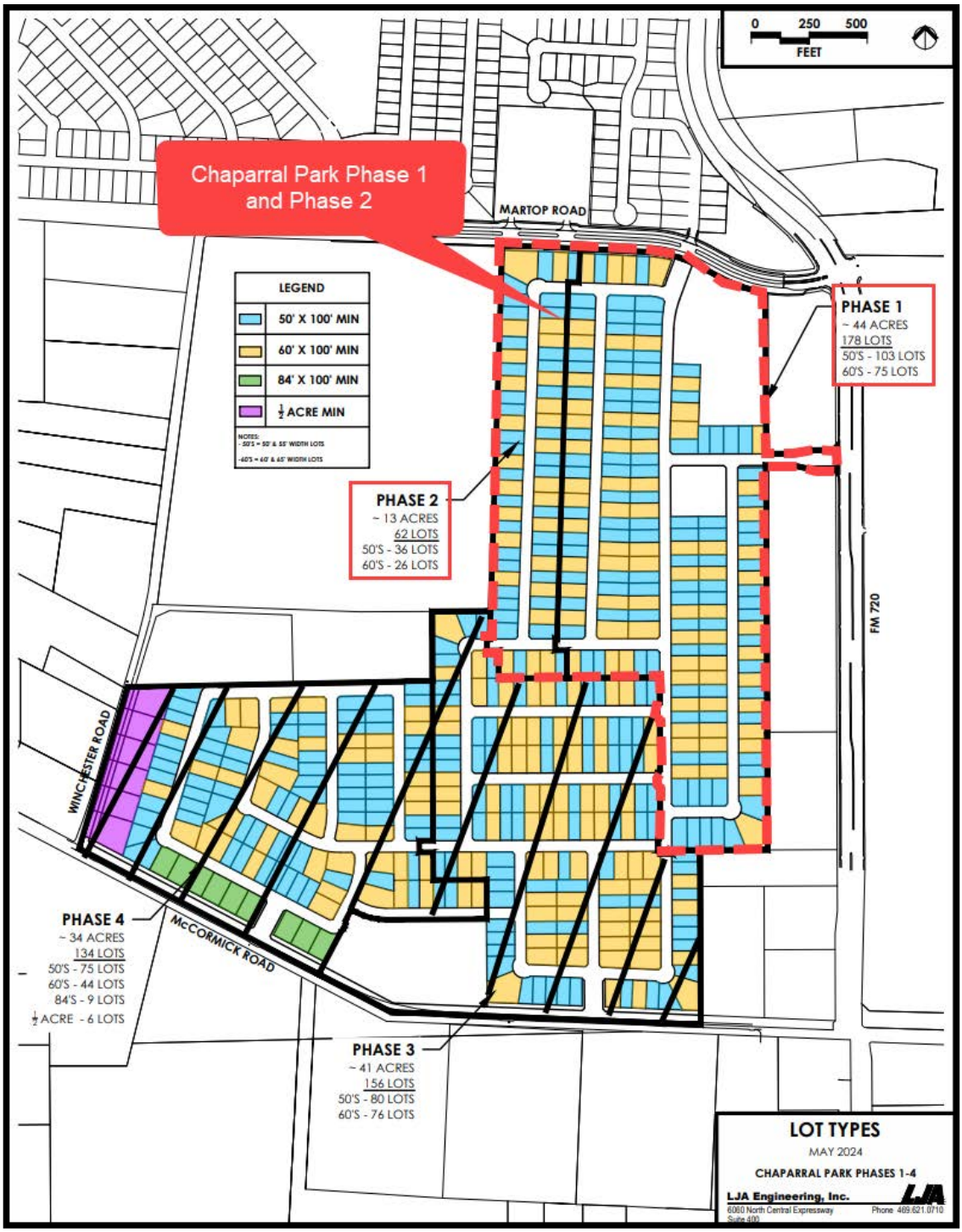
Based on our physical site visit, and review of available maps of the surrounding area it is reasonable to suspect that there are typical setbacks and easements that exist on the property which have been approved by the City of Oak Point. The appraisers assume the property is free from any detrimental easements or encroachments and specifically reserves the right to alter the conclusion of this analysis should a survey be provided that indicates detrimental easements or encroachments.

OIL AND GAS WELLS
Texas Railroad Commission

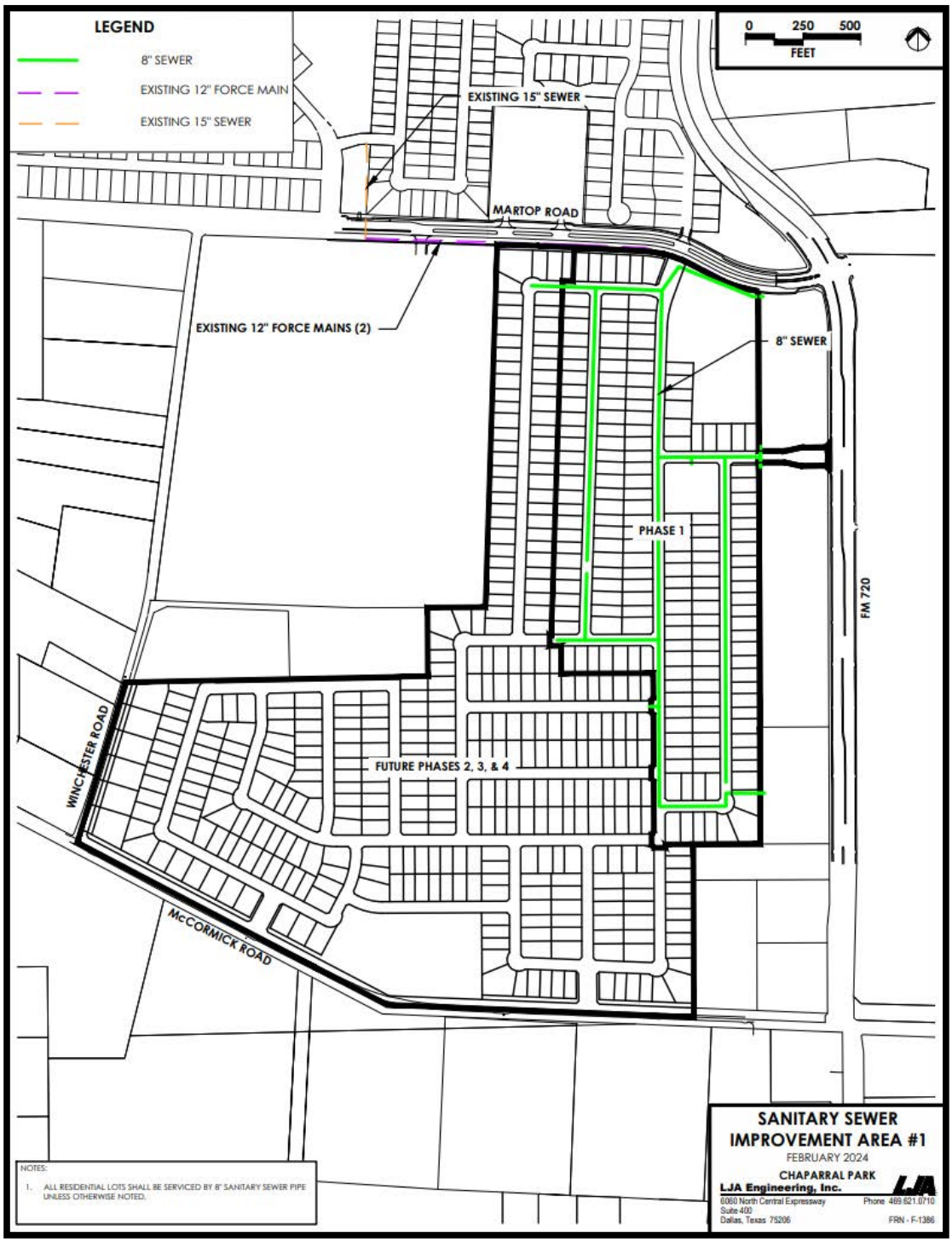


There are 0 well bottom sites and *0 well surface sites within 0.5 mile from the subject property according to the above referenced map from the Texas Railroad Commission. The subject site does not appear to be encumbered by any detrimental restrictions due to the proximity to surface or subsurface well locations because this area of Central Texas is minimally active in mineral extraction.*

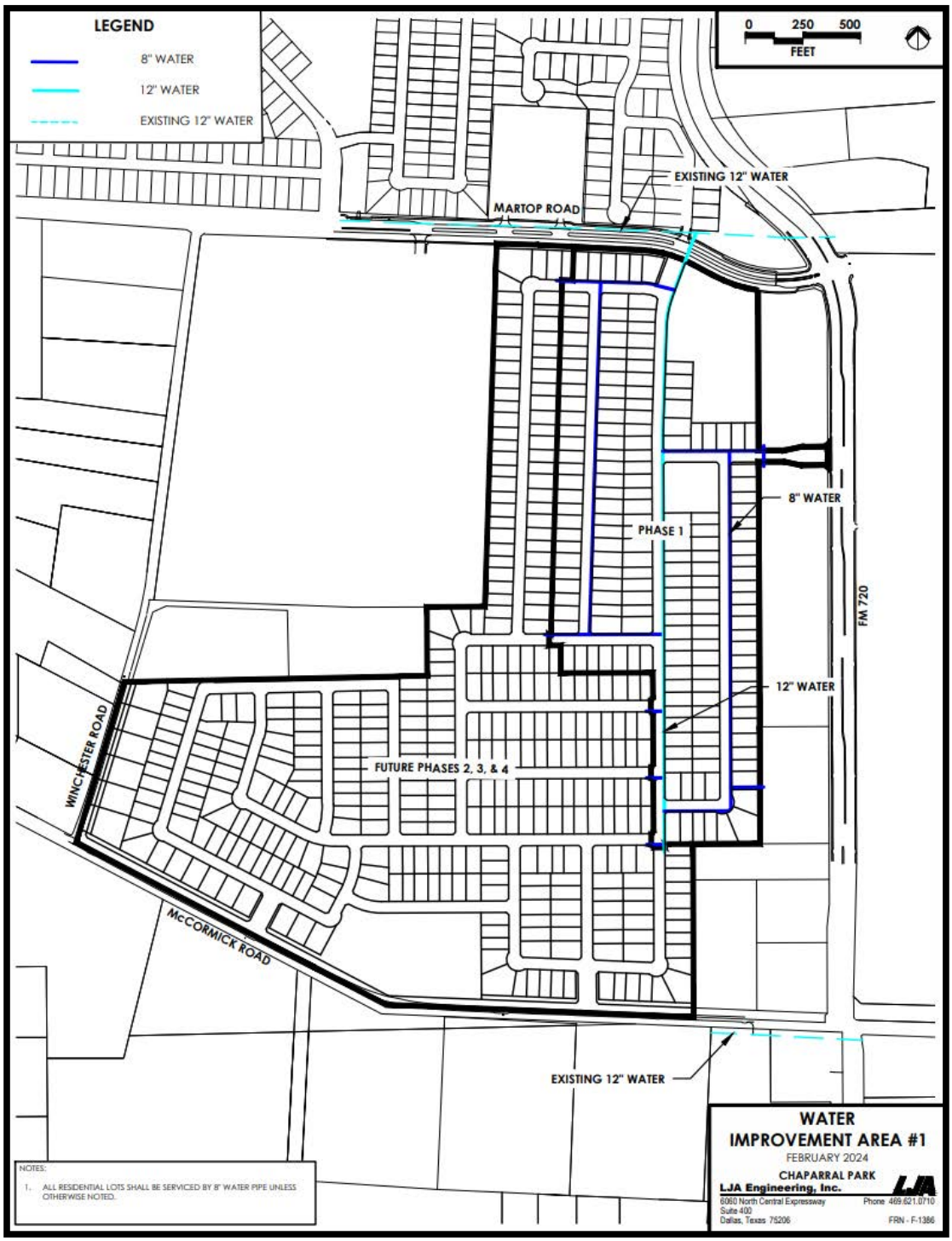
CHAPARRAL PARK LOT TYPES, BY LJA ENGINEERING, INC. (PROFESSIONAL ENGINEERS)



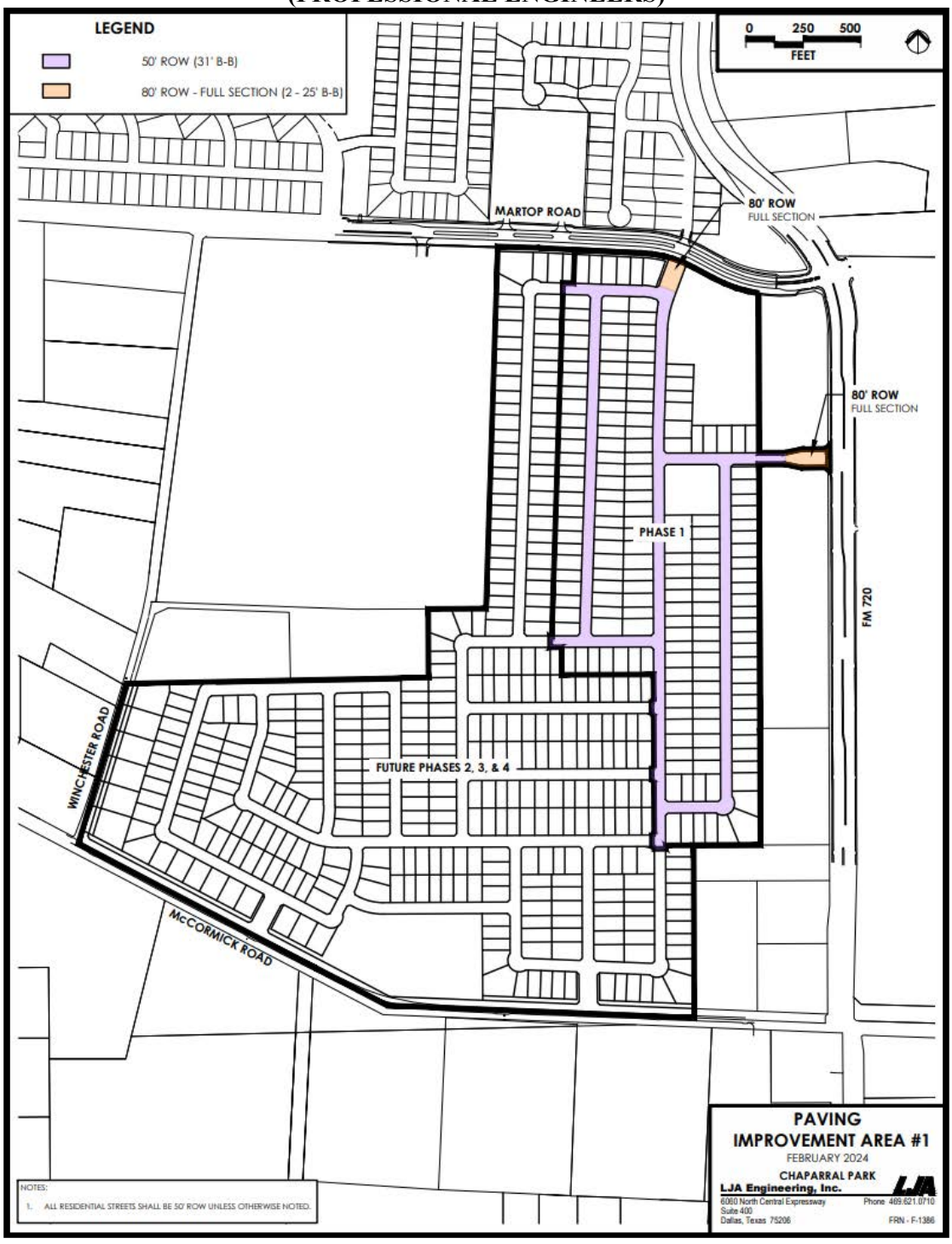
CHAPARRAL PARK SANITARY SEWER EXHIBIT, BY LJA ENGINEERING, INC. (PROFESSIONAL ENGINEERS)



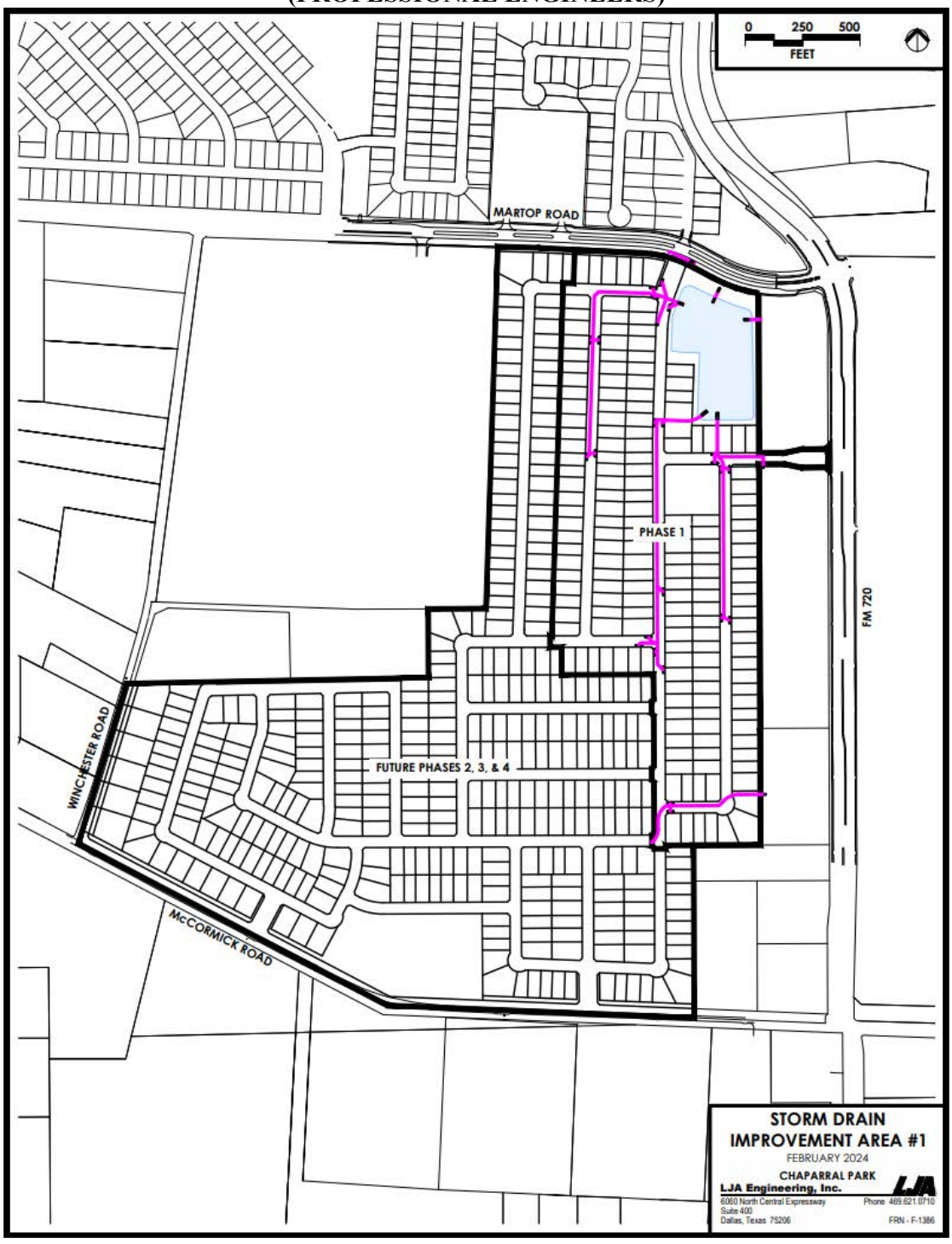
CHAPARRAL PARK WATER EXHIBIT, BY LJA ENGINEERING, INC.
(PROFESSIONAL ENGINEERS)



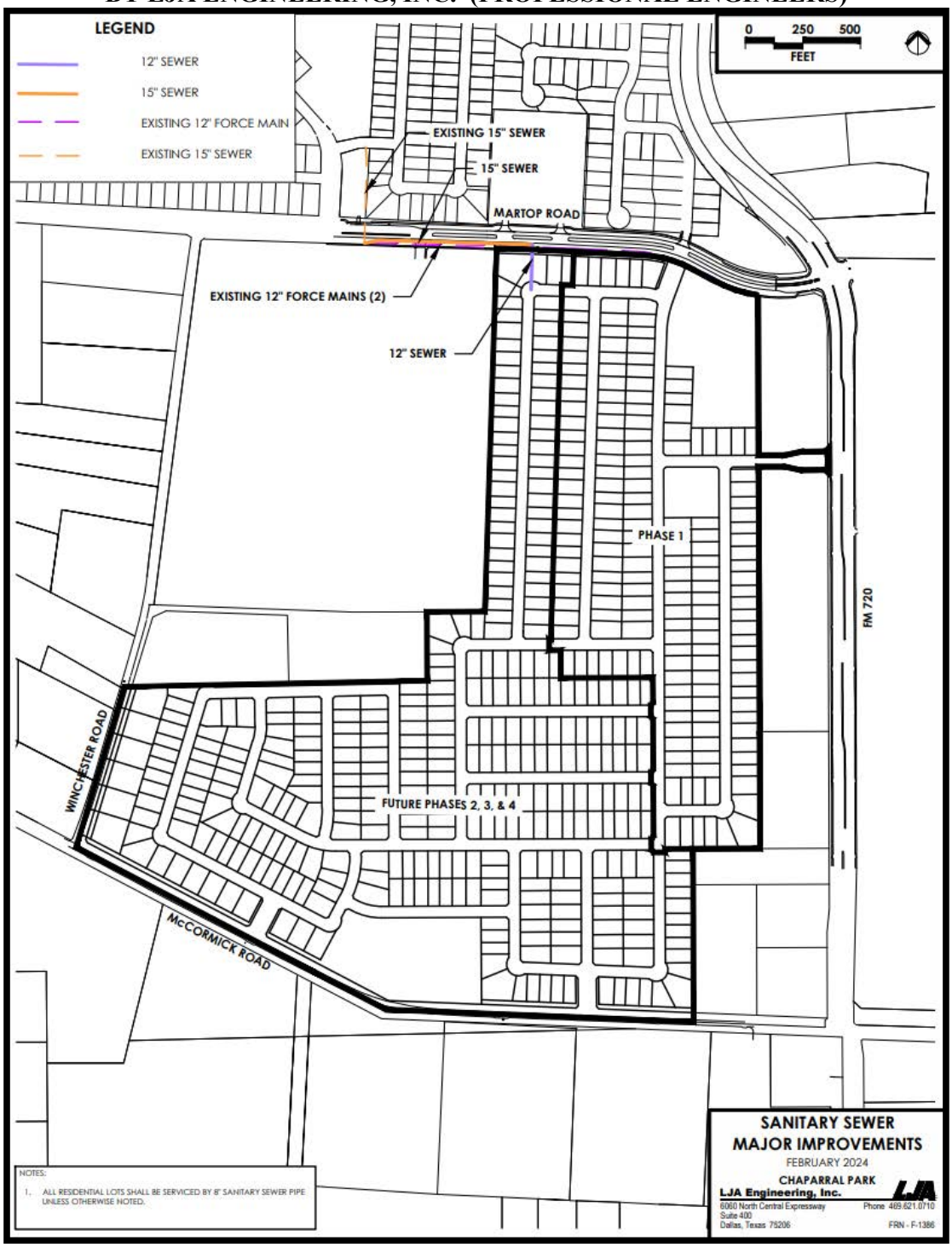
CHAPARRAL PARK PAVING EXHIBIT, BY LJA ENGINEERING, INC. (PROFESSIONAL ENGINEERS)



CHAPARRAL PARK STORM DRAIN EXHIBIT, BY LJA ENGINEERING, INC. (PROFESSIONAL ENGINEERS)



CHAPARRAL PARK SANITARY SEWER MAJOR IMPROVMENTS EXHIBIT, BY LJA ENGINEERING, INC. (PROFESSIONAL ENGINEERS)



PROPERTY PHOTOGRAPHS



Facing west on Martop Road



Facing east on Martop Road



Facing south on West FM Road 720



Facing north on West FM Road 720



Northwest corner of subject facing south



Northwest corner of subject facing east

SUBJECT PHOTOGRAPHS



Northeast corner of subject facing south



Northeast corner of property facing west



Southeast corner of subject facing north



Southeast corner of subject facing west



Fire Hydrant on east line of subject



Commercial development south of subject

HIGHEST AND BEST USE

The highest and best use may be defined as the most profitable or likely profitable legal use for which a property may be utilized. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. Also, that reasonable and probable use that will support the highest present value, as defined, as of the Effective Date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, is found to be:

a. Physically Possible
b. Legally Permissible
c. Financially Feasible
d. Maximally Productive

The definition, immediately above, applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

There are two distinct types of highest and best use, that being the highest and best use as if the site were vacant, and the highest and best use as improved. Both use determinations require consideration of the physical, legal, financial feasibility and maximal productivity for the site and improvements.

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use "As-Vacant"

Physically Possible
Considering the subject's physical characteristics including jurisdiction, location, size, shape, and availability of utilities, the site is capable of numerous uses which are physically possible without being constrained by the property itself.

Legally Permissible
The subject property is within the City of Oak Point and is zoned Planned Development No. 21 (PD No. 21), which *at the subject property* allows for detached single-family residential use.

No private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal which would further restrict development.

Given surrounding land use patterns in the area, only detached single-family residential use is given further consideration in determining the highest and best use of the site as vacant.

Financially Feasible
In order to be economically feasible, the improvements should conform to the surrounding land uses. To meet the test of being financially feasible, the project must provide a net return over a reasonable period of time. The area surrounding the subject property is a mix of residential and commercial development along with agricultural land and development of the surrounding area has accelerated considerably over the past decade as development north of Dallas and Fort Worth has shown almost endless demand. Developers and home builders have moved further

away from the center of the Metroplex and into areas of Denton County and are being developed with middle-to-middle-upper class housing stock. Based on review of homes on the market, we would expect home prices between $500,000-$600,000 would be in demand in Chaparral Park PID.

Based on our analysis of the market, it is reasonable to expect a rise in demand for vacant developed lots (VDLs) in 2024 as homebuilders sell more homes when mortgage rates begin to fall precipitously as they have in early 2024; Along with this, due to the lack of supply for VDLs and the long-term prospects of the subject's area, we expect ample demand for single-family lots in the next 2-5 years. When looking at the longer time horizon, it appears that a newly developed single-family residential use on the site would have a value commensurate with its cost. Therefore, single-family residential use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the subject property that would generate a higher residual land value than single-family residential use. Accordingly, it is our opinion that single-family residential use, developed to the normal market density allowed by the planned development is the maximally productive use of the property.

The resilient business climate in North Texas and the continual development of neighborhoods in Denton County has created increased demand for homes in the area. Coupled with increasing movement into DFW, and northward in the Metroplex in particular, it is our opinion that the highest and best use of the property "As-Vacant" would be for the development of single-family residential community. Thus, the highest and best use of the property "As-Vacant" is for development of detached, single-family residential uses.

Highest and Best Use "As-Improved"

Development of the subject property, as proposed utilizing our extraordinary assumptions, is the only use that meets the four tests of highest and best use. Therefore, we conclude that the highest and best use of the property "As-Improved" is similar to our conclusion "As-Vacant" which is for detached, single-family residences uses.

We believe that the **most probable buyer** would be a developer of large single-family communities or a large homebuilder who is active in the DFW Metroplex market.

VALUATION – PHASE 1 AND PHASE 2

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. Use of the approaches in this assignment is summarized as follows:

Approach	***Applicability to Subject***	***Use in Assignment***
Cost Approach	*Not Appropriate in the Phase 1 and Phase 2 Portion of the Subject Property Since the Subject Property will be Developed in Four Phases*	*Not Utilized*
Income (Subdivision Development) Approach	*Appropriate in Determining Residential Subdivision Value*	*Utilized*
Sales Comparison Approach	*Aspects Used in Subdivision Valuation to Determine Retail Market Value of the 50-FF, 55-FF, 60- FF, and the 65-FF Lots*	*Partially Utilized*

Residential Subdivision (241 Improved Lots)

Cost Approach

The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project. Since the subject property is being developed in two phases and there are no major improvements in place, *the Cost Approach is not the most appropriate and thus was not utilized for phase 1 and phase 2*.

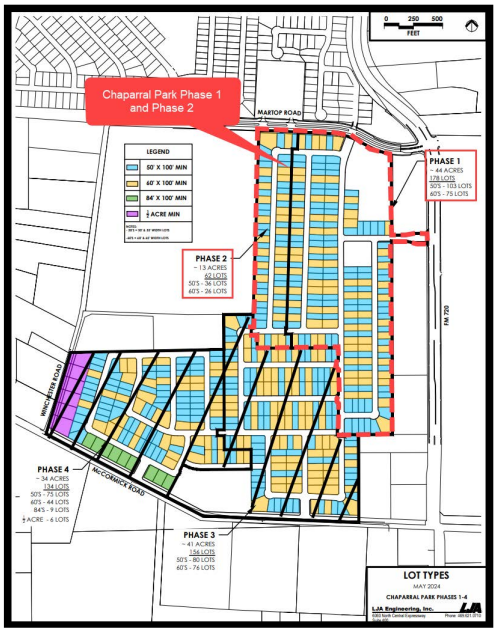
Income (Subdivision Development) Approach

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problem to be solved in this assignment is to determine the bulk sale value of 241 lots, as of the Effective Date of October, 1 2025, which is based on the Substantial Completion Date, *the Income (Subdivision Development) Approach is appropriate and was fully developed.*

Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed by the appraisers*. Aspects of the Sales Comparison Approach were utilized to determine the retail value of the improved lots for analysis within the Income (Subdivision Development) Approach.

INCOME (SUBDIVISION DEVELOPMENT) APPROACH – IMPROVED RESIDENTIAL LOTS PHASE 1 AND PHASE 2



NOTE: Phase 1 and Phase 2 comprises 241 improved residential lots completed as vacant developed lots (VDLs) with a Prospective Effective Date of October, 1 2025.

Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. The income methodology applied in subdivision analysis has been adapted to simulate what occurs in a bulk sale where one buyer purchases a group of lots at a discount. It provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

In order to complete the analysis, the appraisers:

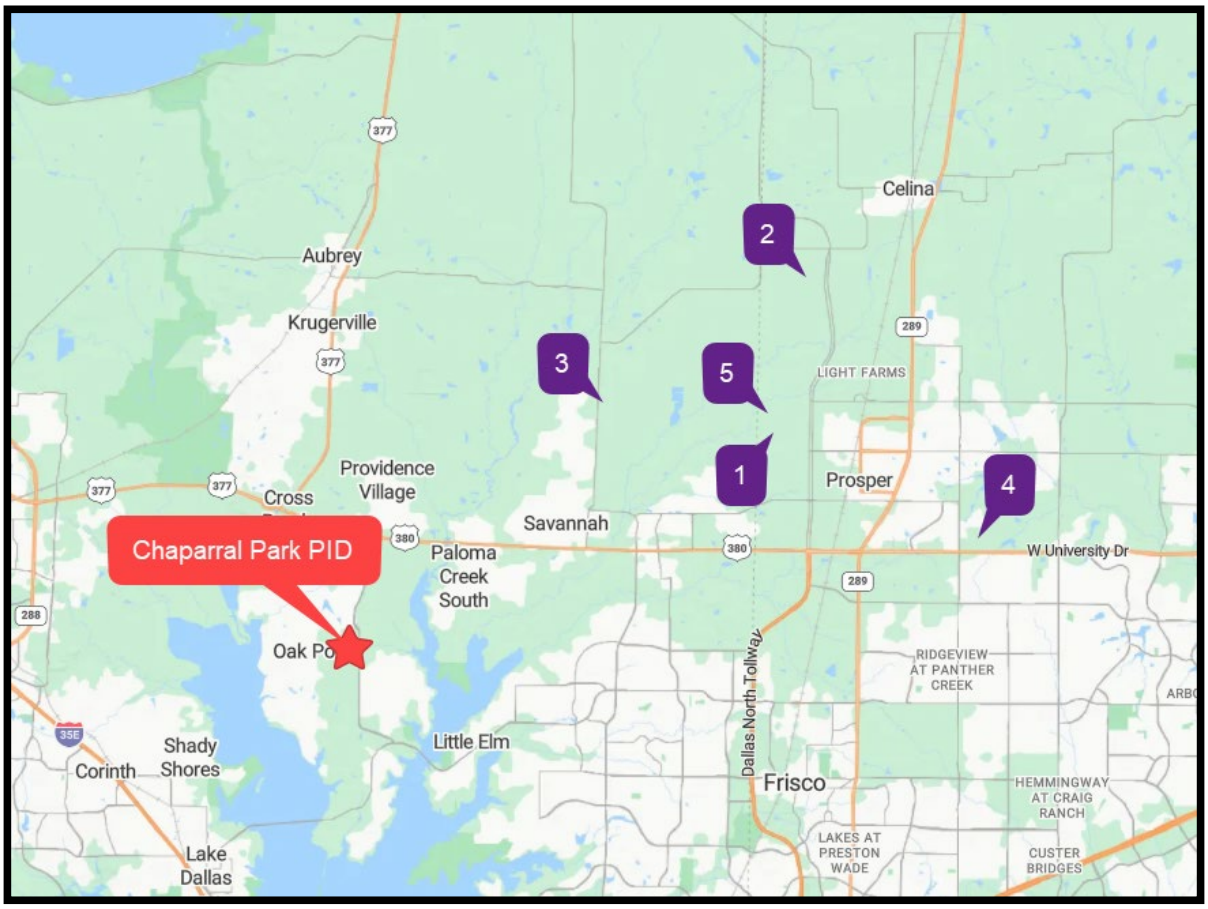
- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales costs over the absorption period
- Estimated the appropriate discount rate necessary to undertake the risks associate with the project
- Utilized discount cash flow (DCF) analysis to determine the present value of future cash flows realized by selling the lots at market prices over time

We utilized the following unit of comparison which is the measure most commonly found in the market:

Sales Price Per Front Foot *– Obtained by dividing sale price by the front footage of the lot*

Following is our analysis of the 50-FF, 55-FF, 60-FF, and 65-FF lots for Chaparral Park PID Phase 1 and Phase 2

MAP OF COMPARABLE LOT SALES –50' LOTS

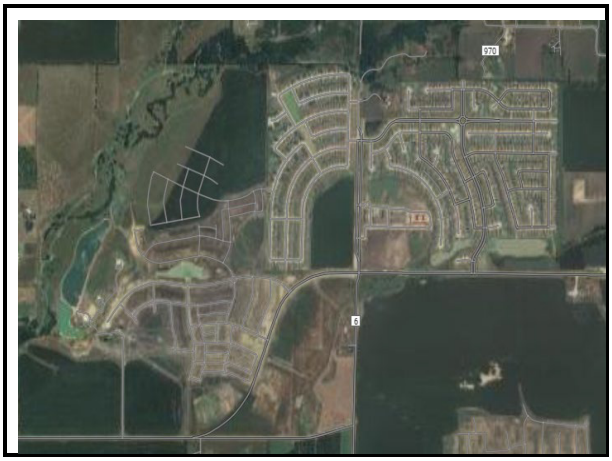


Subject: Chaparral Park PID, Oak Point, Denton County, TX 75068

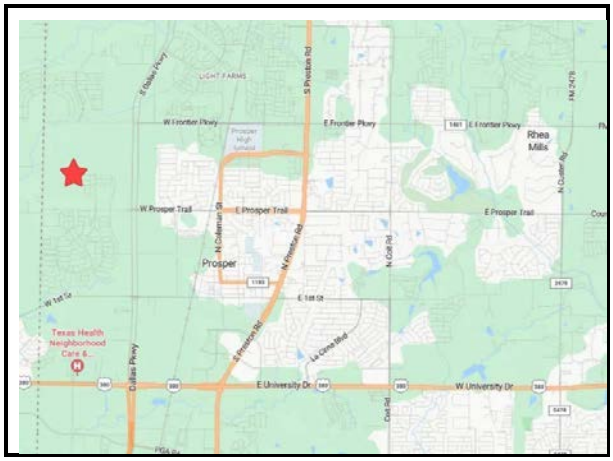
We selected the best and most recent comparable lot sales for our analysis of the 50-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 50' LOTS								
Sale	**Subdivision**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Front Feet (FF)**	***$/FF***
1	Mosaic	Prosper	Prosper	June-2023	June-2023	$122,500	50	*$ 2,450*
2	Cambridge Crossing	Celina	Celina	Jan - 2024	In-Contract	$100,000	50	*$ 2,000*
3	Lily Creek At Sutton Fields	Celina	Prosper	Feb - 2023	In-Contract	$100,000	50	*$ 2,000*
4	Brookhollow West	Prosper	Prosper	June-2023	In-Contract	$122,500	50	*$ 2,450*
5	Star Trail	Prosper	Prosper	Apr - 2022	Apr - 2022	$115,635	55	*$ 2,102*
Subject	**Chaparral Park Phase 1 & 2**	**Oak Point**	**Denton**	-	-	-	**50**	-

SALE COMPARABLE 1 – 50' LOTS



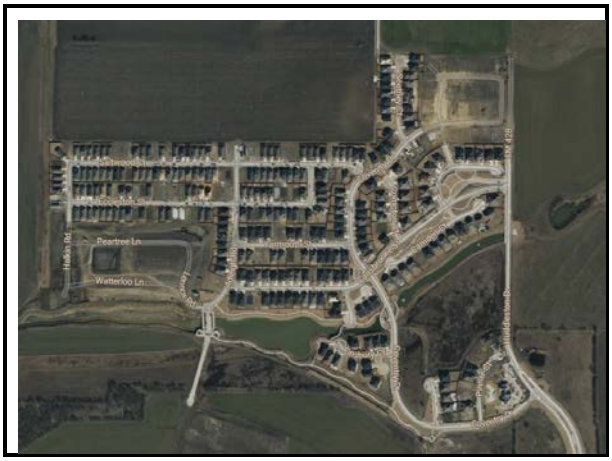
Comparable 1 Aerial



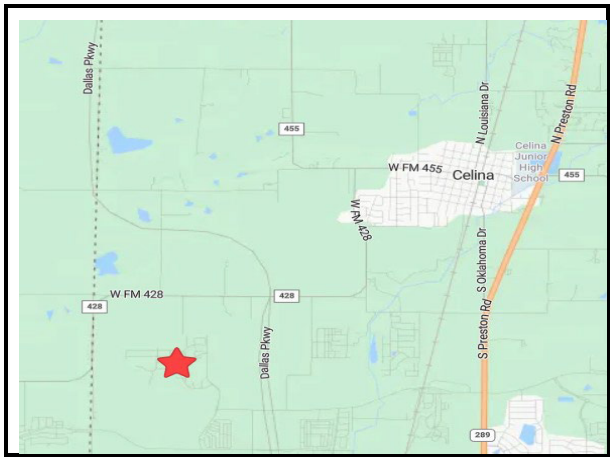
Comparable 1 Map

50-FF Sale Comparable 1				
Property Information				
Subdivision Name	Mosaic			
Property Class	Residential Lot			
Address	West side of CR-6 at Frontier Parkway, Prosper			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	June-2023			
Seller	Tellus Texas I, LLC			
Buyer	Highland Homes			
Sale Price	$122,500			
Price per SF Land	$20.42			
Price per Front Foot	**$2,450**			

SALE COMPARABLE 2 – 50' LOTS



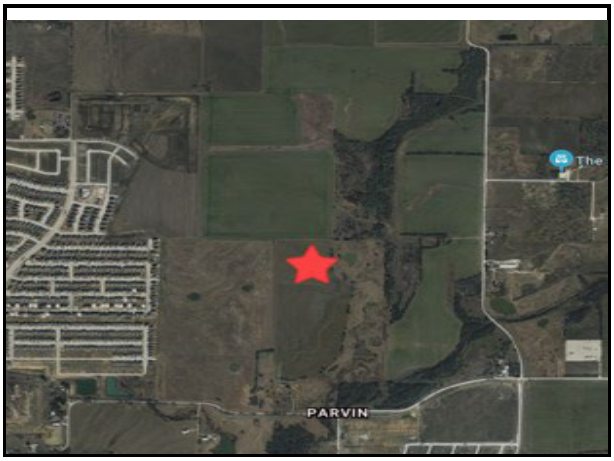
Comparable 2 Aerial



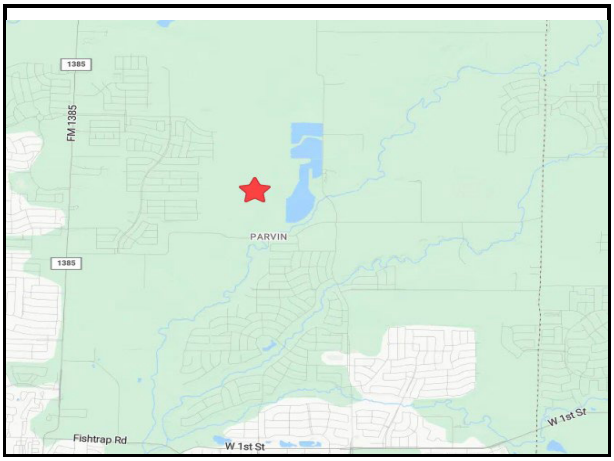
Comparable 2 Map

50-FF Sale Comparable 2				
Property Information				
Subdivision Name	Cambridge Crossing			
Property Class	Residential Lot			
Address	Northeast quadrant of Legacy Drive and Punk Carter Parkway, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	January - 2024			
Seller	Tollway/Outer Loop LP			
Buyer	Perry Homes			
Sale Price	$100,000			
Price per SF Land	$16.67			
Price per Front Foot	**$2,000**			

SALE COMPARABLE 3 – 50' LOTS



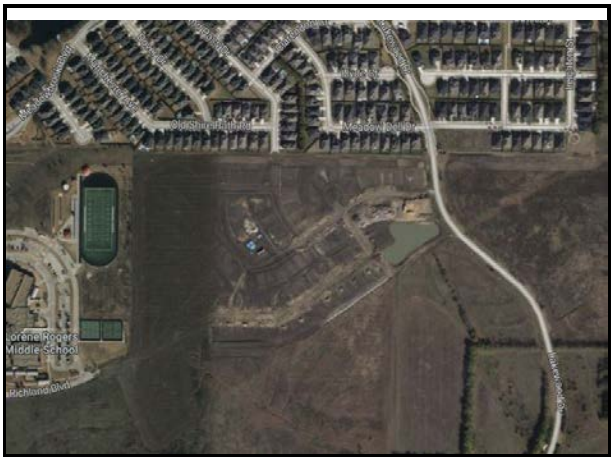
Comparable 3 Aerial



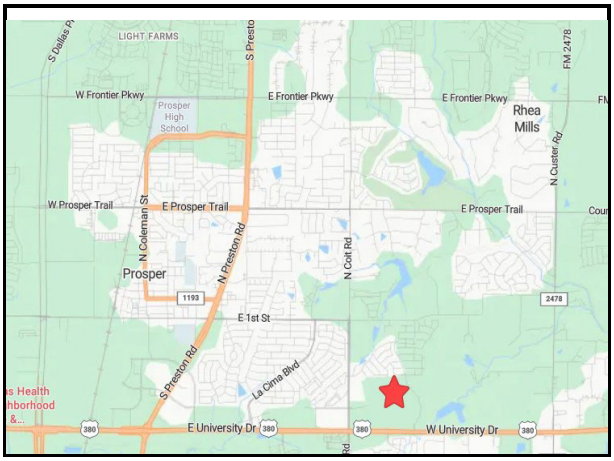
Comparable 3 Map

50-FF Sale Comparable 3				
Property Information				
Subdivision Name	Lily Creek At Sutton Fields			
Property Class	Residential Lot			
Address	North side of Parvin Road, East of Farm to Market Road 1375 and Sutton Fields, Celina			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	February - 2023			
Seller	MM Celina Parvin 101, LLC			
Buyer	M/I Homes			
Sale Price	$100,000			
Price per SF Land	$16.67			
Price per Front Foot	**$2,000**			

SALE COMPARABLE 4 – 50' LOTS



Comparable 4 Aerial



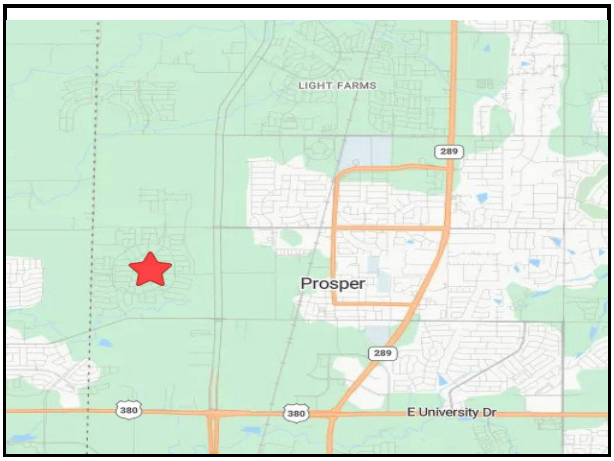
Comparable 4 Map

50-FF Sale Comparable 4				
Property Information				
Subdivision Name	Brookhollow West			
Property Class	Residential Lot			
Address	Northwest corner of Lakewood Drive and future Richland Boulevard			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	June-2023			
Seller	HH Lakewood Drive Development LP			
Buyer	Shaddock Homes, LTD			
Sale Price	$122,500			
Price per SF Land	$20.42			
Price per Front Foot	**$2,450**			

SALE COMPARABLE 5 – 50' LOTS



Comparable 5 Aerial



Comparable 5 Map

50-FF Sale Comparable 5				
Property Information				
Subdivision Name	Star Trail			
Property Class	Residential Lot			
Address	2352 Big Sky Drive, Propser			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,875	SF	0.16	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	April - 2022			
Seller	C Square Capital Partners, LLC			
Buyer	Highland Homes - Dallas, LLC			
Sale Price	$115,635			
Price per SF Land	$16.82			
Price per Front Foot	**$2,102**			

SALES ADJUSTMENT COMPARISON GRID –50' LOTS

Address:	Subject Chaparral Park Phase 1 & 2	Sale 1 Mosaic	Sale 2 Cambridge Crossing	Sale 3 Lily Creek At Sutton Fields	Sale 4 Brookhollow West	Sale 5 Star Trail
	Oak Point	Prosper	Celina	Celina	Prosper	Prosper
Transactional Adjustments						
Sales Price/FF		$2,450	$2,000	$2,000	$2,450	$2,102
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$2,450	$2,000	$2,000	$2,450	$2,102
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$2,450	$2,000	$2,000	$2,450	$2,102
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$2,450	$2,000	$2,000	$2,450	$2,102
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$2,450	$2,000	$2,000	$2,450	$2,102
Time/Market Conditions		+9%	+7%	+11%	+9%	+14%
ADJUSTED Price/FF:		$2,671	$2,140	$2,220	$2,671	$2,397
Physical Adjustments						
Location/Access	City of Oak Point, East of W FM 720	+2%	+2%	+2%	-2%	+2%
Amenities	Commercial Center, Amenity Center, Pool, Open Space, Trails, Elementary School	-4%	-5%	0%	0%	-5%
Size	50-FF	0%	0%	0%	0%	+2%
Topography/View	Gently Sloping Improved Lots	0%	0%	0%	0%	0%
Zoning	Planned Development	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-2%	-3%	+2%	-2%	-1%
ADJUSTED Price/FF:		$2,617	$2,076	$2,264	$2,617	$2,373
SUMMARY OF COMPARABLE VALUES						
Value Range/FF		$2,076	to	$2,617		
Average Value/FF			$2,389			
Median Value/FF			$2,373			
Size			50-FF			
Unit Value Indication			$2375/FF			
Overall Value Indication			$118,750			
Rounded			$118,750			

ANALYSIS OF ADJUSTMENTS –50' LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $2,000 to $2,450 per front foot with all Sales being 50-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale
Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions
The residential real estate market increased significantly in 2020 through 2023 but now appears to be cooling following another interest rate decrease by the Federal Home Loan Mortgage Corporation's 30-year fixed-rate which fell by 14 basis points to 6.78% as of April 2024. Price increases from 2020 to 2023 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. Development costs also rose significantly beginning in 2021 as supply chains were disrupted due to the COVID-19 Pandemic, the cost of labor rose, and inflation hit its highest level in decades. We also considered that according to data from Zonda there is a significant shortage of 50-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent plated and developed residential lot sales throughout the Metroplex and specifically along the 380 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +4% year-over year (YoY) increase throughout 2021, 2022, 2023, and for the first quarter of 2024 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get entitlements approved and engineer and costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +7% and +14% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in the City of Oak Point in Denton County near the modestly expanding quasi-suburban sprawl of residential neighborhoods north of Dallas. Development in the subject's area has been substantial and consistent throughout the decades. The subject is located approximately thirteen miles east of central Denton and along West Farm-to-Market 720. The area around the subject is primarily residential development, commercial development, and undeveloped rural land. Also in the area are municipal uses, agricultural uses, and some commercial uses along US Highway 380, which runs approximately 2.4 miles north of the subject.

South of the subject property, about 7 miles, is Billy Ryan High School which is one of six high schools in Denton ISD. Denton ISD is a desirable district with a "B" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. The subject is located on West Farm-to-Market 720, which is a major six-lane, north/south directional, asphalt paved major throughfare that extends through the City of Oak Point. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Inferior; Located in Prosper, which is located in Prosper ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 2: Inferior; Located in Celina which is located in Celina ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 3: Inferior; Located in Celina which is located in Celina ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 4: Superior; Located in Prosper which has slightly inferior access to commercial uses, however, is located along US Highway 380 which gives this development better access to commercial uses and is located in Prosper ISD which has an "A" rating and considered to be a superior ISD; Adjusted -2%
- Sale 5: Inferior; Located in Prosper which is located in Prosper ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%

Amenities

The subject property's amenities will consist of a commercial center, amenity center, pool, open spaces, trails, and an elementary school. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Chaparral Park PID. We have made the following adjustments for Amenities:

- Sale 1: Superior; Mosaic, which has more amenities consisting of a pool complex with a lazy river, a stocked lake, a playground, a fitness center, green spaces, and trails; Adjusted -4%
- Sale 2: Superior; Cambridge Crossing, which has more amenities consisting of a private amenity center, fitness center, pickleball courts, half-court basketball, jogging trails, fishing pond, playground, lap pool, resort style pool/cabana, event lawn, 7 lakes, and a future second amenity center; Adjusted -5%
- Sale 3: Similar; Lily Creek At Sutton Fields, which has similar amenities such as a pool, ponds, playgrounds, a community garden, and trails; Adjusted 0%
- Sale 4: Similar; Brookhollow West, which has similar amenities such as a resort style pool, cabana, parks, a playground, green spaces, and trails; Adjusted 0%
- Sale 5: Superior; Star Trail, which has more amenities such as a community center, three resort style pools, two party pavilions, grilling area, a playground, a covered picnic area, tennis/pickleball courts, a baseball field, and a neighborhood school; Adjusted -5%

Size
Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). Sales 1-4 are also 50' lots that can accommodate the same building pad, so no adjustment is made for size to those comparable sales. Sale 5 is 55' lot and was adjusted at +2%.

Topography/View
The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

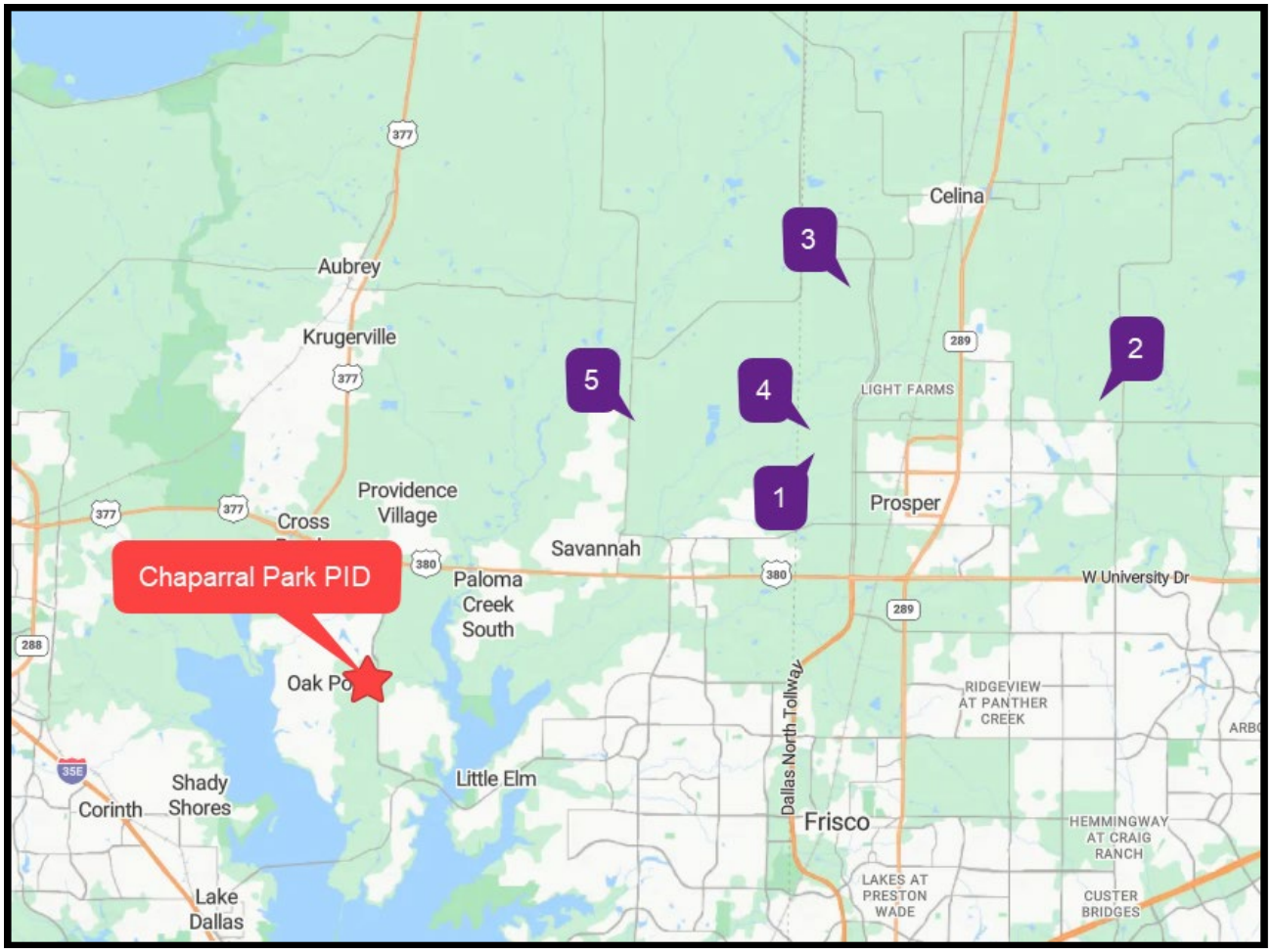
Zoning
The subject property will be in a planned development and each of the comparable sales are in planned developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

Conclusion for 50' Lots – The 50' Lot Sales have an adjusted range of $2,076/FF to $2,617/FF with an average of $2,389/FF and a median of $2,373/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material (especially concrete) and labor which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 50' lots is $2375/FF, or $118,750/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
50' Detached Lots	82	October 1, 2025	$118,750

Next, we will analyze the retail market value of the 55' improved residential lots within Phase 1 and Phase 2 of Chaparral Park PID.

MAP OF COMPARABLE LOT SALES –55' LOTS

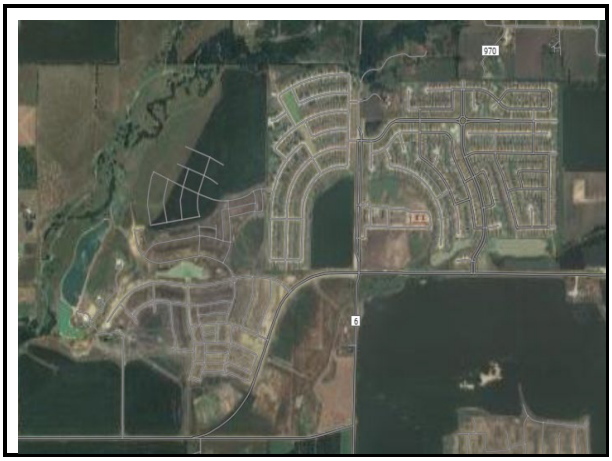


Subject: Chaparral Park PID, Oak Point, Denton County, TX 75068

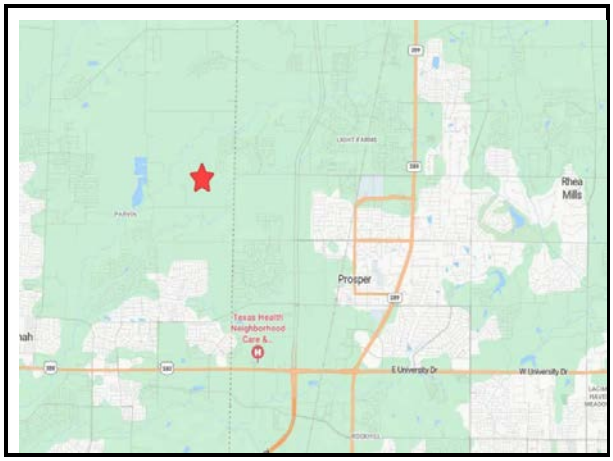
We selected the best and most recent comparable lot sales for our analysis of the 55-FF lots. As 55-FF sales were somewhat limited, we expanded our search to include 50-FF lots and 60-FF Lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 55' LOTS								
Sale	Subdivision	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	*$/FF*
1	Mosaic	Prosper	Prosper	June-2023	June-2023	$122,500	50	*$ 2,450*
2	Wellspring Estates	Celina	Prosper	Sept - 2022	Sept - 2022	$132,000	60	*$ 2,200*
3	Cambridge Crossing	Celina	Celina	Jan-2024	In-Contract	$120,000	60	*$ 2,000*
4	Star Trail	Prosper	Prosper	Apr - 2022	Apr - 2022	$115,635	55	*$ 2,102*
5	Lily Creek At Sutton Fields	Celina	Prosper	Feb - 2023	In-Contract	$100,000	50	*$ 2,000*
Subject	**Chaparral Park Phase 1 & 2**	**Oak Point**	**Denton**	-	-	-	**55**	-

SALE COMPARABLE 1 – 55' LOTS



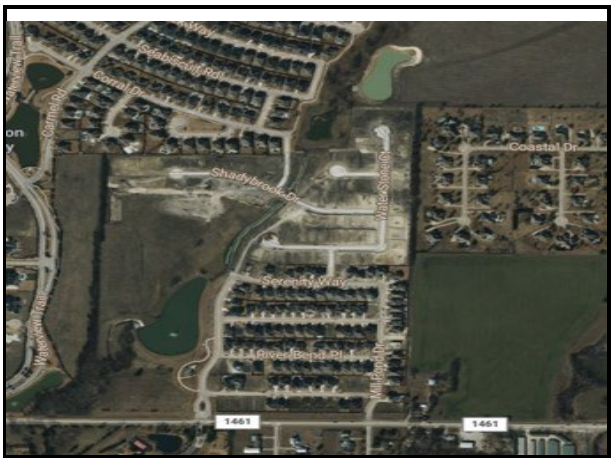
Comparable 1 Aerial



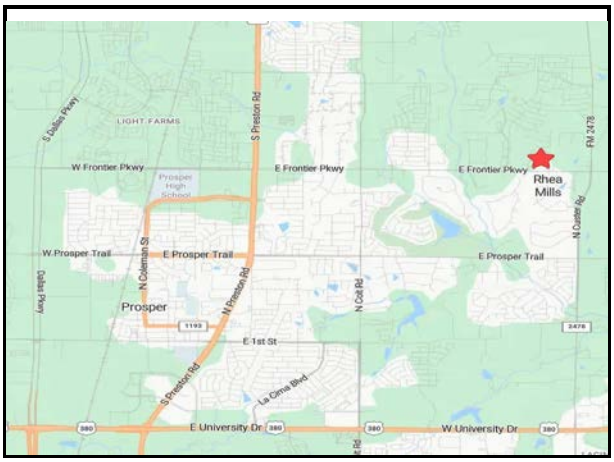
Comparable 1 Map

55-FF Sale Comparable 1				
Property Information				
Subdivision Name	Mosaic			
Property Class	Residential Lot			
Address	West side of County Road 6 at Frontier Parkway, Celina			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	June - 2023			
Seller	Tellus Texas I, LLC			
Buyer	Highland Homes			
Sale Price	$122,500			
Price per SF Land	$20.42			
Price per Front Foot	**$2,450**			

SALE COMPARABLE 2 – 55' LOTS



Comparable 2 Aerial



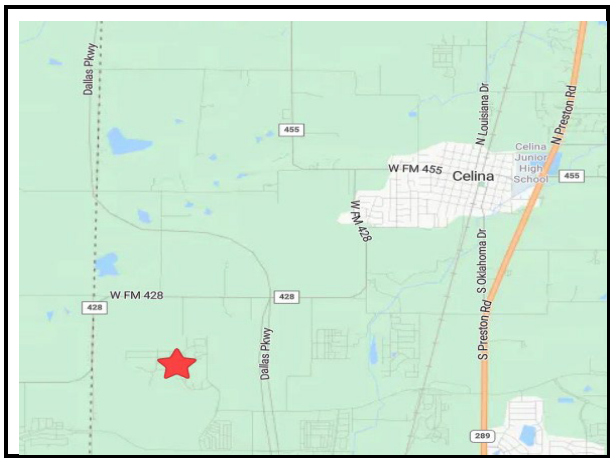
Comparable 2 Map

55-FF Sale Comparable 2				
Property Information				
Subdivision Name	Wellspring Estates			
Property Class	Residential Lot			
Address	Northeast quadrant of Glendenning Parkway and County Road 89, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contracct			
Sale/Contract Date	January - 2023			
Seller	Wayne/Jackson, Inc.			
Buyer	Shaddock Homes			
Sale Price	$132,000			
Price per SF Land	$18.33			
Price per Front Foot	**$2,200**			

SALE COMPARABLE 3 – 55' LOTS



Comparable 3 Aerial



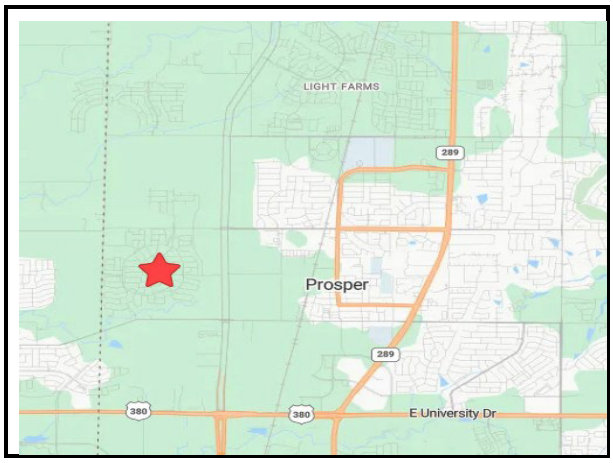
Comparable 3 Map

55-FF Sale Comparable 3				
Property Information				
Subdivision Name	Cambridge Crossing			
Property Class	Residential Lot			
Address	Northeast quadrant of Legacy Drive and Punk Carter Parkway, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,800	SF	0.18	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	January - 2024			
Seller	Tollway/Outer Loop LP			
Buyer	Perry Homes			
Sale Price	$120,000			
Price per SF Land	$15.38			
Price per Front Foot	**$2,000**			

SALE COMPARABLE 4 – 55' LOTS



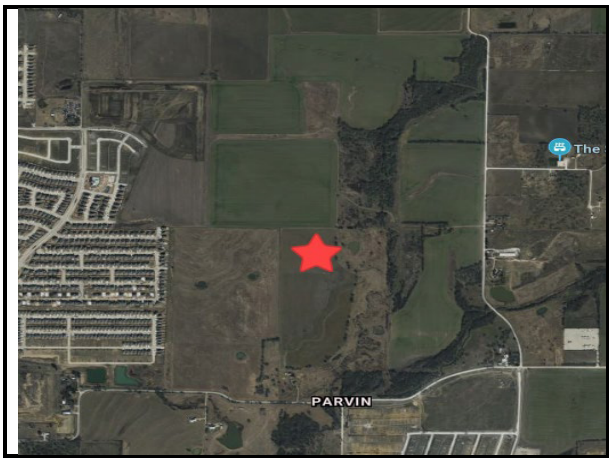
Comparable 4 Aerial



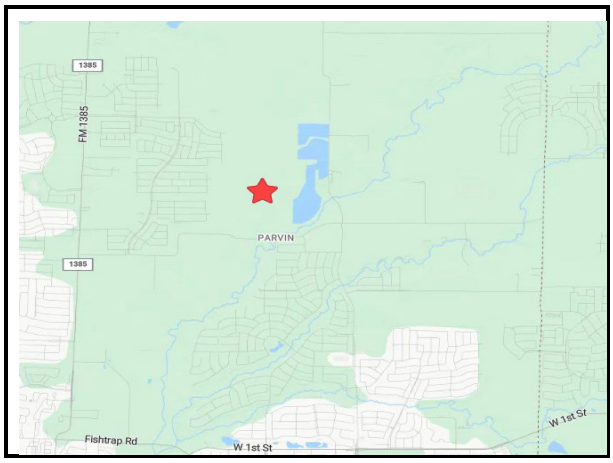
Comparable 4 Map

55-FF Sale Comparable 4				
Property Information				
Subdivision Name	Star Trail			
Property Class	Residential Lot			
Address	2352 Big Sky Drive, Propser			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,875	SF	0.16	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	April - 2022			
Seller	C Square Capital Partners, LLC			
Buyer	Highland Homes - Dallas, LLC			
Sale Price	$115,635			
Price per SF Land	$16.82			
Price per Front Foot	**$2,102**			

SALE COMPARABLE 5 – 55' LOTS



Comparable 5 Aerial



Comparable 5 Map

55-FF Sale Comparable 5				
Property Information				
Subdivision Name	Lily Creek At Sutton Fields			
Property Class	Residential Lot			
Address	North side of Parvin Road, East of Farm to Market Road 1375 and Sutton Fields, Celina			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	February - 2023			
Seller	MM Celina Parvin 101, LLC			
Buyer	M/I Homes			
Sale Price	$100,000			
Price per SF Land	$16.67			
Price per Front Foot	**$2,000**			

SALES ADJUSTMENT COMPARISON GRID –55' LOTS

Address:	Subject Chaparral Park Phase 1 & 2	Sale 1 Mosaic	Sale 2 Wellspring Estates	Sale 3 Cambridge Crossing	Sale 4 Star Trail	Sale 5 Lily Creek At Sutton Fields
	Oak Point	Prosper	Celina	Celina	Prosper	Celina
Transactional Adjustments						
Sales Price/FF		$2,450	$2,200	$2,000	$2,102	$2,000
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$2,450	$2,200	$2,000	$2,102	$2,000
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$2,450	$2,200	$2,000	$2,102	$2,000
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$2,450	$2,200	$2,000	$2,102	$2,000
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$2,450	$2,200	$2,000	$2,102	$2,000
Time/Market Conditions		+9%	+12%	+7%	+14%	+11%
ADJUSTED Price/FF:		$2,671	$2,464	$2,140	$2,397	$2,220
Physical Adjustments						
Location/Access	City of Oak Point, East of W FM 720	+2%	+2%	+2%	+2%	+2%
Amenities	Commercial Center, Amenity Center, Pool, Open Space, Trails, Elementary School	-4%	0%	-5%	-5%	0%
Size	55-FF	-2%	+2%	+2%	0%	-2%
Topography/View	Gently Sloping Improved Lots	0%	0%	0%	0%	0%
Zoning	Planned Development	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-4%	+4%	-1%	-3%	0%
ADJUSTED Price/FF:		$2,564	$2,563	$2,119	$2,325	$2,220
SUMMARY OF COMPARABLE VALUES						
Value Range/FF		$2,119	to	$2,564		
Average Value/FF		$2,358				
Median Value/FF		$2,325				
Size		55-FF				
Unit Value Indication		$2325/FF				
Overall Value Indication		$127,875				
Rounded		$127,875				

ANALYSIS OF ADJUSTMENTS –55' LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $2,000 to $2,450 per front foot with Sales 1 and 5 being 50-FF lot types, Sales 2 and 3 being 60-FF lot types, and Sale 4 being 55-FF lot types

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale
Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions
The residential real estate market increased significantly in 2020 through 2023 but now appears to be cooling following another interest rate decrease by the Federal Home Loan Mortgage Corporation's 30-year fixed-rate which fell by 14 basis points to 6.78% as of April 2024. Price increases from 2020 to 2023 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. Development costs also rose significantly beginning in 2021 as supply chains were disrupted due to the COVID-19 Pandemic, the cost of labor rose, and inflation hit its highest level in decades. We also considered that according to data from Zonda there is a significant shortage of 55-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically along the 380 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +4% year-over year (YoY) increase throughout 2021, 2022, 2023, and for the first quarter of 2024 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get entitlements approved and engineer and costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted between +7% and +14% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in the City of Oak Point in Denton County near the modestly expanding quasi-suburban sprawl of residential neighborhoods north of Dallas. Development in the subject's area has been substantial and consistent throughout the decades. The subject is located approximately thirteen miles east of central Denton and along West Farm-to-Market 720. The area around the subject is primarily residential development, commercial development, and undeveloped rural land. Also in the area are municipal uses, agricultural uses, and some commercial uses along US Highway 380, which runs approximately 2.4 miles north of the subject.

South of the subject property, about 7 miles, is Billy Ryan High School which is one of six high schools in Denton ISD. Denton ISD is a desirable district with a "B" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. The subject is located on West Farm-to-Market 720, which is a major six-lane, north/south directional, asphalt paved major throughfare that extends through the City of Oak Point. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Inferior; Located in Prosper, which is located in Prosper ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 2: Inferior; Located in Celina, which is located in an area that feeds into Prosper ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 3: Inferior; Located in Celina, which is located in Celina ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 4: Inferior; Located in Prosper, which is located in Prosper ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 5: Inferior; Located in Celina, which is located in an area which feeds into Prosper ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%

Amenities

The subject property's amenities will consist of a commercial center, amenity center, pool, open spaces, trails, and an elementary school. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Chaparral Park PID. We have made the following adjustments for Amenities:

- Sale 1: Superior; Mosaic, which has more amenities consisting of a pool complex with a lazy river, a stocked lake, a playground, a fitness center, green spaces, and trails; Adjusted -4%
- Sale 2: Similar; Wellspring Estates, which has similar amenities such as a playground, pond, walking trails, sports courts, and green space; Adjusted 0%
- Sale 3: Superior; Cambridge Crossing, which has more amenities consisting of a private amenity center, fitness center, pickleball courts, half-court basketball, jogging trails, fishing pond, playground, lap pool, resort style pool/cabana, event lawn, 7 lakes, and a future second amenity center; Adjusted -5%
- Sale 4: Superior; Star Trail, which has more amenities such as a community center, three resort style pools, two party pavilions, grilling area, a playground, a covered picnic area, tennis/pickleball courts, a baseball fields, and a neighborhood school; Adjusted -5%

- Sale 5: Similar; Lily Creek At Sutton Fields, which has similar amenities such as a pool, ponds, playgrounds, a community garden, and trails; Adjusted 0%

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). Sale 4 is also 55' lots that can accommodate the same building pad, so no adjustment is made for size to those comparable sales. Sales 1 and 5 are 50' lots and were adjusted at -2% each. Sales 2 and 3 are 60' lots and were adjusted at +2%.

Topography/View

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

Zoning

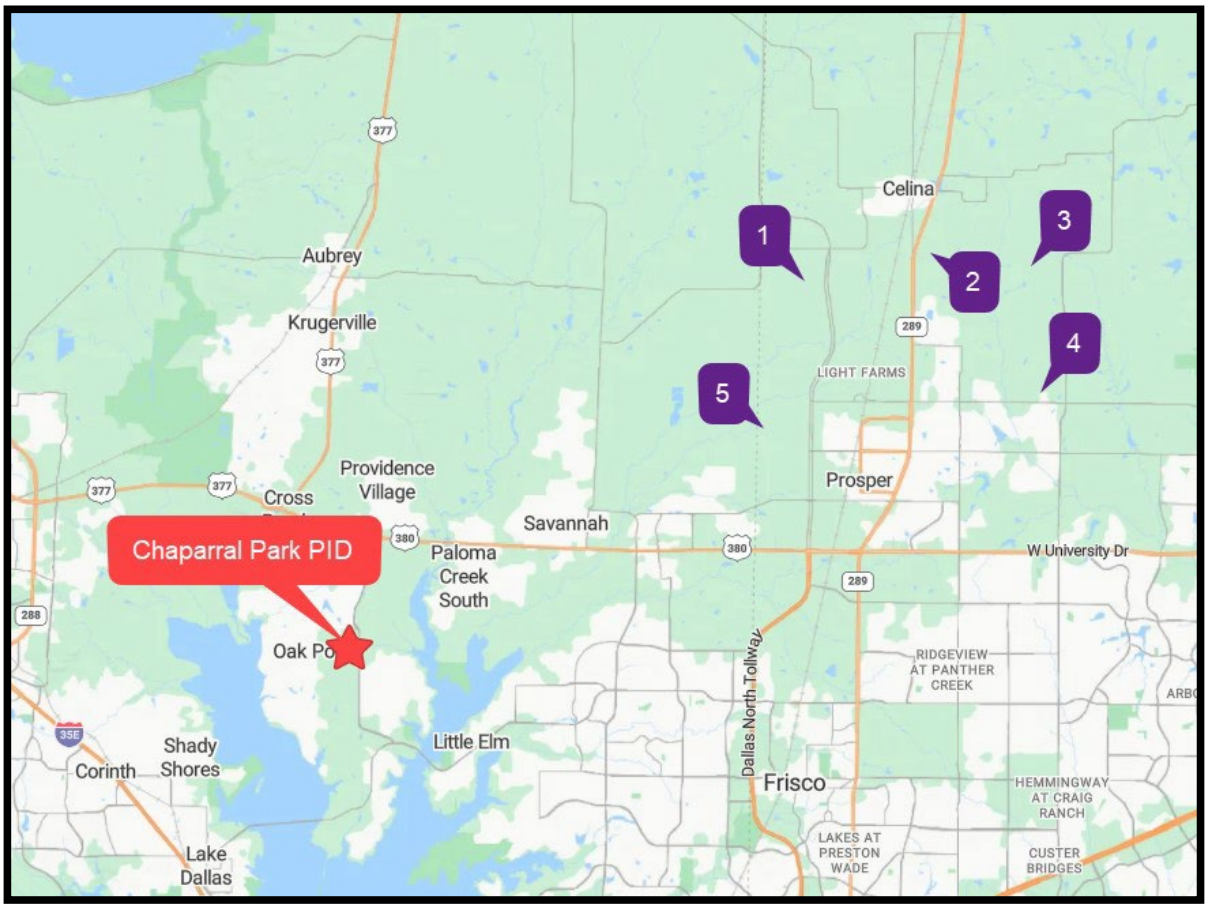
The subject property will be in a planned development and each of the comparable sales are in planned developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

Conclusion for 55' Lots – The 55' Lot Sales have an adjusted range of $2,119/FF to $2,564/FF with an average of $2,358/FF and a median of $2,325/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material (especially concrete) and labor which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 55' lots is $2325/FF, or $127,875/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
55' Detached Lots	57	October, 1 2025	$127,875

Next, we will analyze the retail market value of the 60' improved residential lots within Phase 1 and Phase 2 of Chaparral Park PID.

MAP OF COMPARABLE LOT SALES –60' LOTS



Subject: Chaparral Park PID, Oak Point, Denton County, TX 75068

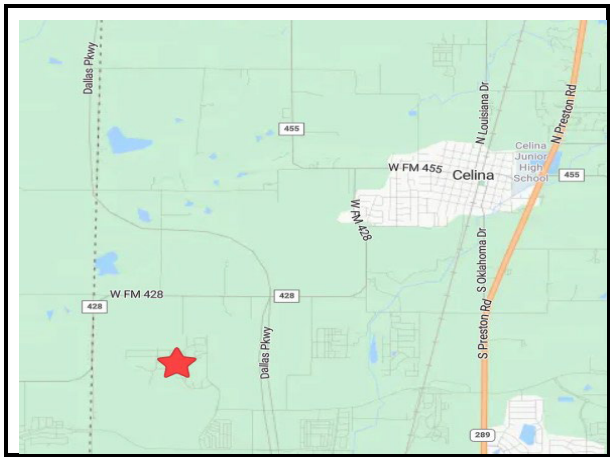
We selected the best and most recent comparable lot sales for our analysis of the 60-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 60' LOTS								
Sale	**Subdivision**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Front Feet (FF)**	***$/FF***
1	Cambridge Crossing	Celina	Celina	Jan-2024	In-Contract	$120,000	60	*$ 2,000*
2	Hillside Village	Celina	Celina	Jan - 2023	In-Contract	$114,000	60	*$ 1,900*
3	Parks at Wilson Creek	Celina	Celina	Dec-2022	In-Contract	$102,000	60	*$ 1,700*
4	Wellspring Estates	Celina	Prosper	Sept - 2022	Sept - 2022	$132,000	60	*$ 2,200*
5	Star Trail	Prosper	Prosper	Apr - 2022	Apr - 2022	$115,635	55	*$ 2,102*
Subject	**Chaparral Park Phase 1 & 2**	**Oak Point**	**Denton**	-	-	-	**60**	-

SALE COMPARABLE 1 – 60' LOTS



Comparable 1 Aerial



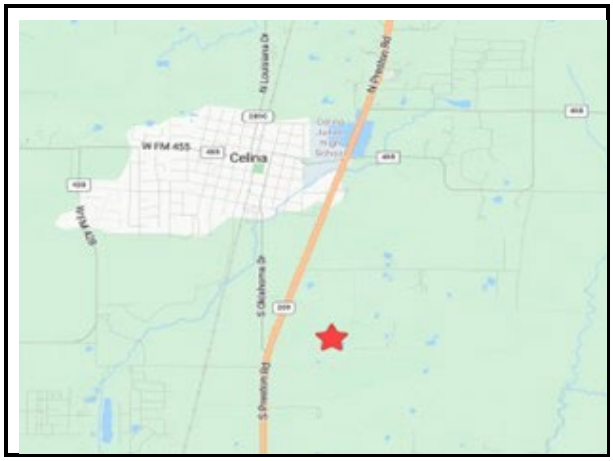
Comparable 1 Map

60-FF Sale Comparable 1				
Property Information				
Subdivision Name	Cambridge Crossing			
Property Class	Residential Lot			
Address	Northeast quadrant of Legacy Drive and Punk Carter Parkway, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,800	SF	0.18	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	January - 2024			
Seller	Tollway/Outer Loop LP			
Buyer	Perry Homes			
Sale Price	$120,000			
Price per SF Land	$15.38			
Price per Front Foot	**$2,000**			

SALE COMPARABLE 2 – 60' LOTS



Comparable 2 Aerial



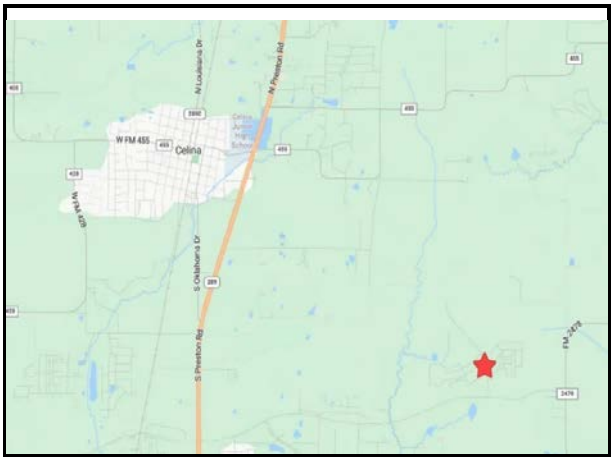
Comparable 2 Map

60-FF Sale Comparable 2				
Property Information				
Subdivision Name	Hillside Village			
Property Class	Residential Lot			
Address	Northeast quadrant of Glendenning Parkway and County Road 89, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contracct			
Sale/Contract Date	January - 2023			
Seller	Wayne/Jackson, Inc.			
Buyer	Shaddock Homes			
Sale Price	$114,000			
Price per SF Land	$15.83			
Price per Front Foot	**$1,900**			

SALE COMPARABLE 3 – 60' LOTS



Comparable 3 Aerial



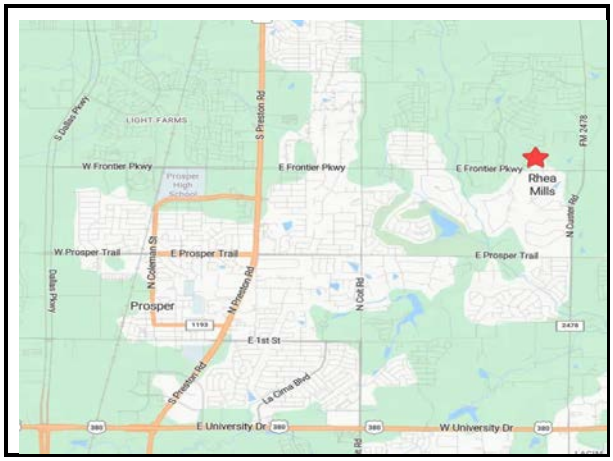
Comparable 3 Map

60-FF Sale Comparable 3				
Property Information				
Subdivision Name	Parks at Wilson Creek			
Property Class	Residential Lot			
Address	East/West sides of Roseland Parkway, North of Collin County Outer Loop, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,800	SF	0.18	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	Decemeber - 2022			
Seller	The Parks at Wilson Creek, L.P.			
Buyer	Tradition Homes, LLC			
Sale Price	$102,000			
Price per SF Land	$13.08			
Price per Front Foot	**$1,700**			

SALE COMPARABLE 4 – 60' LOTS



Comparable 4 Aerial



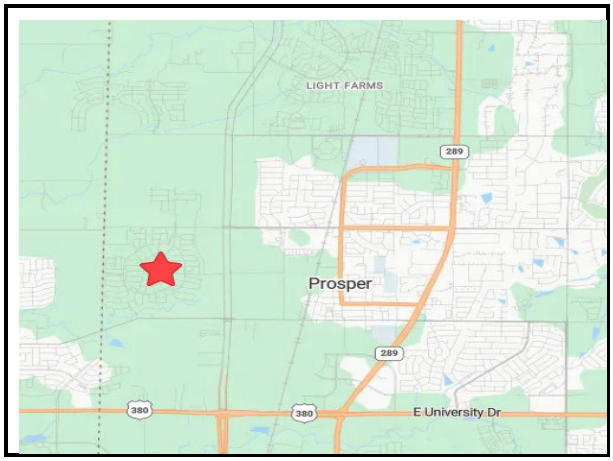
Comparable 4 Map

60-FF Sale Comparable 4				
Property Information				
Subdivision Name	Wellspring Estates			
Property Class	Residential Lot			
Address	North side of Farm to Market 1461, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,500	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	September - 2022			
Seller	Sunshine Development Group Ltd.			
Buyer	First Homes Texas, Inc			
Sale Price	$132,000			
Price per SF Land	$17.60			
Price per Front Foot	**$2,200**			

SALE COMPARABLE 5 – 60' LOTS



Comparable 5 Aerial



Comparable 5 Map

60-FF Sale Comparable 5				
Property Information				
Subdivision Name	Star Trail			
Property Class	Residential Lot			
Address	2352 Big Sky Drive, Propser			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,875	SF	0.16	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	April - 2022			
Seller	C Square Capital Partners, LLC			
Buyer	Highland Homes - Dallas, LLC			
Sale Price	$115,635			
Price per SF Land	$16.82			
Price per Front Foot	**$2,102**			

SALES ADJUSTMENT COMPARISON GRID –60' LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Chaparral Park Phase 1 & 2	Cambridge Crossing	Hillside Village	Wellspring Estates	Wellspring Estates	Star Trail
	Oak Point	Celina	Celina	Celina	Celina	Prosper
Transactional Adjustments						
Sales Price/FF		$2,000	$1,900	$1,700	$2,200	$2,102
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$2,000	$1,900	$1,700	$2,200	$2,102
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$2,000	$1,900	$1,700	$2,200	$2,102
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$2,000	$1,900	$1,700	$2,200	$2,102
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$2,000	$1,900	$1,700	$2,200	$2,102
Time/Market Conditions		+7%	+11%	+11%	+12%	+14%
ADJUSTED Price/FF:		$2,140	$2,109	$1,887	$2,464	$2,397
Physical Adjustments						
Location/Access	City of Oak Point, East of W FM 720	+2%	+2%	+2%	+2%	+2%
Amenities	Commercial Center, Amenity Center, Pool, Open Space, Trails, Elementary School	-5%	0%	-5%	0%	-5%
Size	60-FF	0%	0%	0%	0%	-2%
Topography/View	Gently Sloping Improved Lots	0%	0%	0%	0%	0%
Zoning	Planned Development	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-3%	2%	-3%	2%	-5%
ADJUSTED Price/FF:		$2,076	$2,151	$1,830	$2,513	$2,277
SUMMARY OF COMPARABLE VALUES						
Value Range/FF			$1,830	to	$2,513	
Average Value/FF			$2,170			
Median Value/FF			$2,151			
Size			60-FF			
Unit Value Indication			$2170/FF			
Overall Value Indication			$130,200			
Rounded			$130,200			

ANALYSIS OF ADJUSTMENTS –60' LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $1,700 to $2,200 per front foot with Sales 1-4 being 60-FF lot types, and sale 5 being 55-FF.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

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Expenditures After Purchase
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Time/Market Conditions
The residential real estate market increased significantly in 2020 through 2023 but now appears to be cooling following another interest rate decrease by the Federal Home Loan Mortgage Corporation's 30-year fixed-rate which fell by 14 basis points to 6.78% as of April 2024. Price increases from 2020 to 2023 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. Development costs also rose significantly beginning in 2021 as supply chains were disrupted due to the COVID-19 Pandemic, the cost of labor rose, and inflation hit its highest level in decades. We also considered that according to data from Zonda there is a significant shortage of 65-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent plated and developed residential lot sales throughout the Metroplex and specifically along the 380 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +4% year-over year (YoY) increase throughout 2021, 2022, 2023, and for the first quarter of 2024 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get entitlements approved and engineer and costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +7% and +14% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in the City of Oak Point in Denton County near the modestly expanding quasi-suburban sprawl of residential neighborhoods north of Dallas. Development in the subject's area has been substantial and consistent throughout the decades. The subject is located approximately thirteen miles east of central Denton and along West Farm-to-Market 720. The area around the subject is primarily residential development, commercial development, and undeveloped rural land. Also in the area are municipal uses, agricultural uses, and some commercial uses along US Highway 380, which runs approximately 2.4 miles north of the subject.

South of the subject property, about 7 miles, is Billy Ryan High School which is one of six high schools in Denton ISD. Denton ISD is a desirable district with a "B" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. The subject is located on West Farm-to-Market 720, which is a major six-lane, north/south directional, asphalt paved major throughfare that extends through the City of Oak Point. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Inferior; Located in Celina, which is located in Celina ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 2: Inferior; Located in Celina, which is located in Celina ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 3: Inferior r; Located in Celina, which is located in Celina ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 4: Inferior; Located in Celina which is located in an area that feeds into Prosper ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 5: Inferior; Located in Prosper, which is located in Prosper ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%

Amenities

The subject property's amenities will consist of a commercial center, amenity center, pool, open spaces, trails, and an elementary school. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Chaparral Park PID. We have made the following adjustments for Amenities:

- Sale 1: Superior; Cambridge Crossing, which has more amenities consisting of a private amenity center, fitness center, pickleball courts, half-court basketball, jogging trails, fishing pond, playground, lap pool, resort style pool/cabana, event lawn, 7 lakes, and a future second amenity center; Adjusted -5%
- Sale 2: Similar; Hillside Village, which has similar amenities such as a resort style pool, a cabana, community trails, a playground, and parks; Adjusted 0%
- Sale 3: Superior; Parks at Wilson Creek, which has more amenities such as a city park, a resort style pool, kiddie pool, sand volleyball court, basketball court, pickleball court, 12 lakes, pocket parks, and walking trails; Adjusted -5%
- Sale 4: Similar; Wellspring Estates, which has similar amenities such as a playground, pond, walking trails, sports courts, and green space; Adjusted 0%
- Sale 5: Superior; Star Trail, which has more amenities such as a community center, three resort style pools, two party pavilions, grilling area, a playground, a covered picnic area, tennis/pickleball courts, a

baseball field, and a neighborhood school; Adjusted -5%

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). Sales 1-4 are also 60' lots that can accommodate the same building pad, so no adjustment is made for size to those comparable sales. Sale 5 is 55' lot and was adjusted at -2%.

Topography/View

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

Zoning

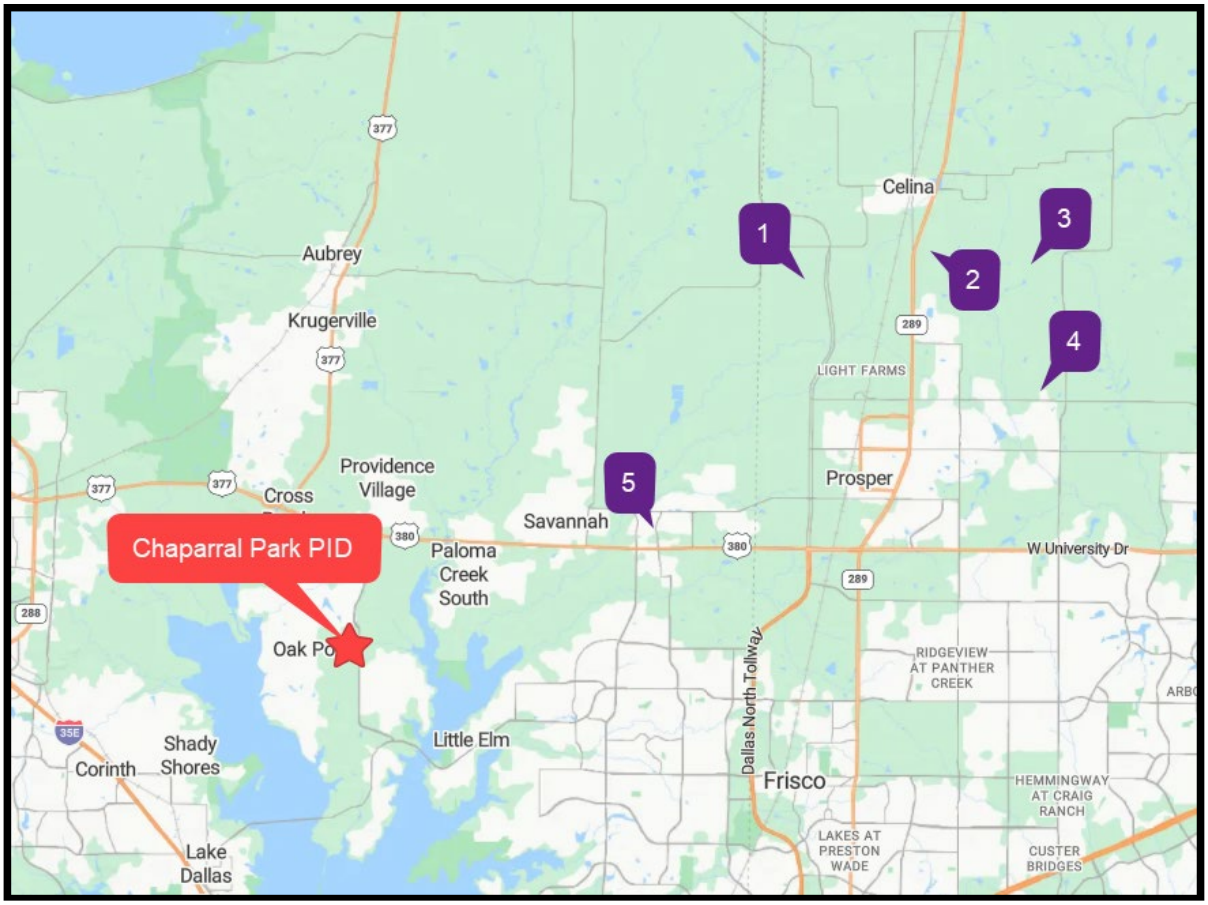
The subject property will be in a planned development and each of the comparable sales are in planned developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

Conclusion for 60' Lots – The 60' Lot Sales have an adjusted range of $1,830/FF to $2,513/FF with an average of $2,170/FF and a median of $2,151/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material (especially concrete) and labor which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 60' lots is $2170/FF or $130,200/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
60' Detached Lots	65	October, 1 2025	$130,200

Next, we will analyze the retail market value of the 65' improved residential lots within Phase 1 and Phase 2 of Chaparral Park PID.

MAP OF COMPARABLE LOT SALES –65' LOTS



Subject: Chaparral Park PID, Oak Point, Denton County, TX 75068

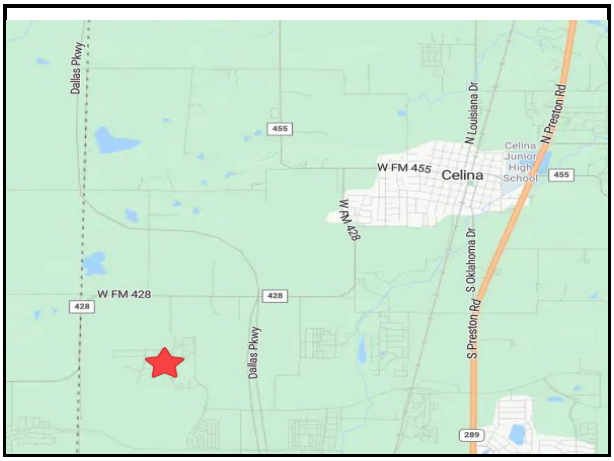
We selected the best and most recent comparable lot sales for our analysis of the 65-FF lots. As 65-FF sales were somewhat limited, we expanded our search to include 60-FF and 70-FF, and 71-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 65' LOTS								
Sale	**Subdivision**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Front Feet (FF)**	***$/FF***
1	Cambridge Crossing	Celina	Celina	Jan-2024	In-Contract	$120,000	60	*$ 2,000*
2	Hillside Village	Celina	Celina	Jan - 2023	In-Contract	$114,000	60	*$ 1,900*
3	Parks at Wilson Creek	Celina	Celina	Dec-2022	In-Contract	$102,000	60	*$ 1,700*
4	Wellspring Estates	Celina	Prosper	Sept - 2022	Sept - 2022	$164,500	70	*$ 2,350*
5	Windsong Ranch	Prosper	Prosper	Jan-2022	Jan-2022	$159,750	71	*$ 2,250*
Subject	**Chaparral Park Phase 1 & 2**	**Oak Point**	**Denton**	-	-	-	**65**	-

SALE COMPARABLE 1 – 65' LOTS



Comparable 1 Aerial



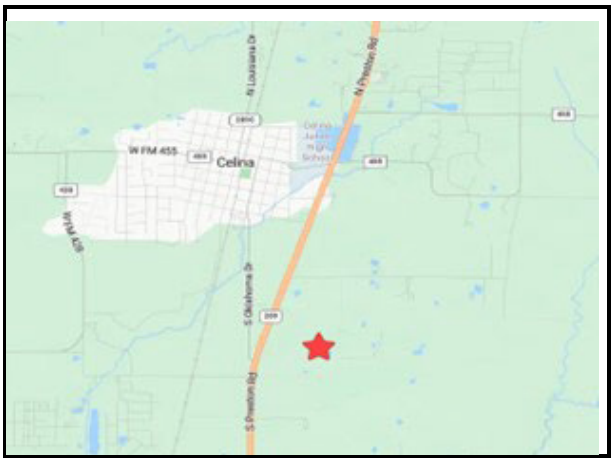
Comparable 1 Map

65-FF Sale Comparable 1				
Property Information				
Subdivision Name	Cambridge Crossing			
Property Class	Residential Lot			
Address	Northeast quadrant of Legacy Drive and Punk Carter Parkway, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,800	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	January - 2024			
Seller	Tollway/Outer Loop LP			
Buyer	Perry Homes			
Sale Price	$120,000			
Price per SF Land	$15.38			
Price per Front Foot	**$2,000**			

SALE COMPARABLE 2 – 65' LOTS



Comparable 2 Aerial



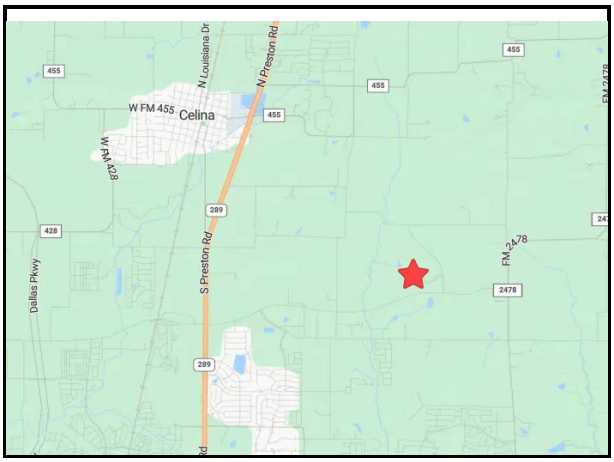
Comparable 2 Map

65-FF Sale Comparable 2				
Property Information				
Subdivision Name	Hillside Village			
Property Class	Residential Lot			
Address	Northeast quadrant of Glendenning Parkway and County Road 89, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contracct			
Sale/Contract Date	January - 2023			
Seller	Wayne/Jackson, Inc.			
Buyer	Shaddock Homes			
Sale Price	$114,000			
Price per SF Land	$15.83			
Price per Front Foot	**$1,900**			

SALE COMPARABLE 3 – 65' LOTS



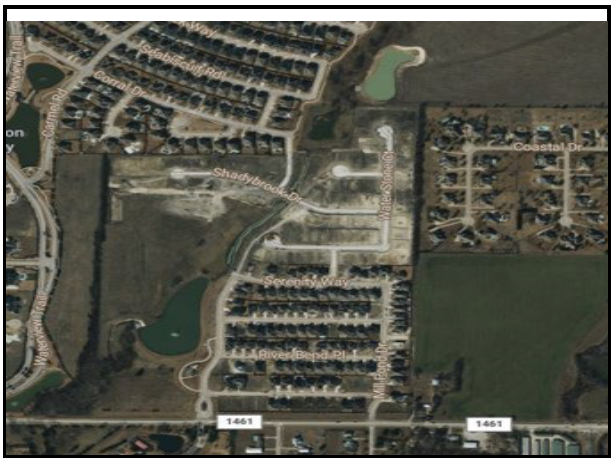
Comparable 3 Aerial



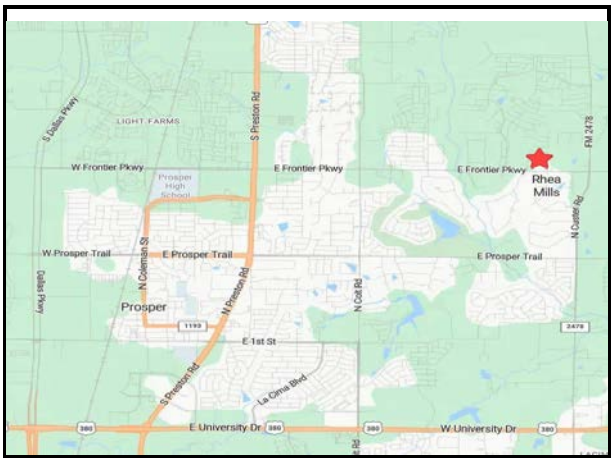
Comparable 3 Map

65-FF Sale Comparable 3				
Property Information				
Subdivision Name	Parks at Wilson Creek			
Property Class	Residential Lot			
Address	East/West sides of Roseland Parkway, North of Collin County Outer Loop, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,800	SF	0.18	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	Decemeber - 2022			
Seller	The Parks at Wilson Creek, L.P.			
Buyer	Tradition Homes, LLC			
Sale Price	$102,000			
Price per SF Land	$13.08			
Price per Front Foot	**$1,700**			

SALE COMPARABLE 4 – 65' LOTS



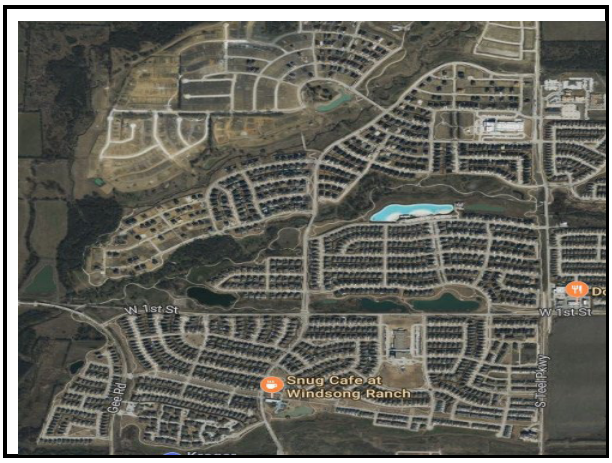
Comparable 4 Aerial



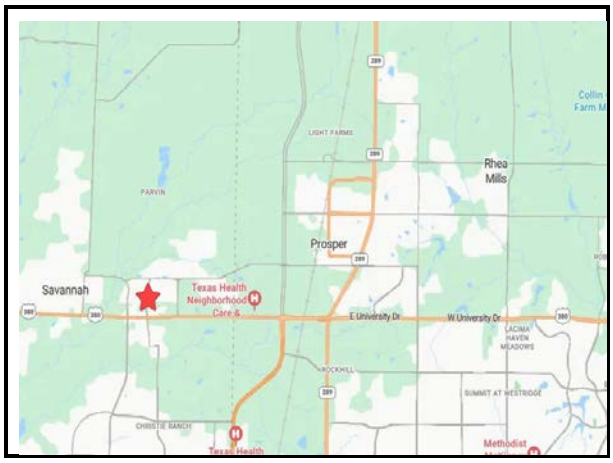
Comparable 4 Map

65-FF Sale Comparable 4				
Property Information				
Subdivision Name	Wellspring Estates			
Property Class	Residential Lot			
Address	North side of Farm to Market 1461, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	9,800	SF	0.22	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	September - 2022			
Seller	Sunshine Development Group LTD			
Buyer	First Texas Homes, Inc.			
Sale Price	$164,500			
Price per SF Land	$16.79			
Price per Front Foot	**$2,350**			

SALE COMPARABLE 5 – 65' LOTS



Comparable 5 Aerial



Comparable 5 Map

65-FF Sale Comparable 5				
Property Information				
Subdivision Name	Windsong Ranch			
Property Class	Residential Lot			
Address	West side of Windsong Parkway South, north of Mill Branch Drive, Prosper			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	9,230	SF	0.21	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	January - 2022			
Seller	VP Windsong Operations, LLC			
Buyer	American Legend Homes, LLC			
Sale Price	$159,750			
Price per SF Land	$17.31			
Price per Front Foot	**$2,250**			

SALES ADJUSTMENT COMPARISON GRID –65' LOTS

Address:	Subject Chaparral Park Phase 1 & 2	Sale 1 Cambridge Crossing	Sale 2 Hillside Village	Sale 3 Parks at Wilson Creek	Sale 4 Wellspring Estates	Sale 5 Windsong Ranch
	Oak Point	Celina	Celina	Celina	Celina	Prosper
Transactional Adjustments						
Sales Price/FF		$2,000	$1,900	$1,700	$2,350	$2,250
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		$2,000	$1,900	$1,700	$2,350	$2,250
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		$2,000	$1,900	$1,700	$2,350	$2,250
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		$2,000	$1,900	$1,700	$2,350	$2,250
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		$2,000	$1,900	$1,700	$2,350	$2,250
Time/Market Conditions		+7%	+11%	+11%	+12%	+15%
ADJUSTED Price/FF:		$2,140	$2,109	$1,887	$2,632	$2,588
Physical Adjustments						
Location/Access	City of Oak Point, East of W FM 720	+2%	+2%	+2%	+2%	-2%
Amenities	Commercial Center, Amenity Center, Pool, Open Space, Trails, Elementary School	-5%	0%	-5%	0%	-5%
Size	65-FF	-2%	-2%	-2%	+2%	+2%
Topography/View	Gently Sloping Improved Lots	0%	0%	0%	0%	0%
Zoning	Planned Development	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-5%	0%	-5%	+4%	-5%
ADJUSTED Price/FF:		$2,033	$2,109	$1,793	$2,737	$2,458
SUMMARY OF COMPARABLE VALUES						
Value Range/FF		$1,793	to	$2,737		
Average Value/FF			$2,226			
Median Value/FF			$2,109			
Size			65-FF			
Unit Value Indication			$2225/FF			
Overall Value Indication			$144,625			
Rounded			$144,630			

ANALYSIS OF ADJUSTMENTS –65' LOTS

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $1,700 to $2,350 per front foot with Sales 1, 2 and 3 being 60-FF lot types, and Sales 4 being 70-FF lot types and Sale 5 being 71-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale
Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions
The residential real estate market increased significantly in 2020 through 2023 but now appears to be cooling following another interest rate decrease by the Federal Home Loan Mortgage Corporation's 30-year fixed-rate which fell by 14 basis points to 6.78% as of April 2024. Price increases from 2020 to 2023 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. Development costs also rose significantly beginning in 2021 as supply chains were disrupted due to the COVID-19 Pandemic, the cost of labor rose, and inflation hit its highest level in decades. We also considered that according to data from Zonda there is a significant shortage of 65-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically along the 380 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment +4% of year-over year (YoY) increase throughout 2021, 2022, 2023, and for the first quarter of 2024 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get entitlements approved and engineer and costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +7% and +15% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is located in the City of Oak Point in Denton County near the modestly expanding quasi-suburban sprawl of residential neighborhoods north of Dallas. Development in the subject's area has been substantial and consistent throughout the decades. The subject is located approximately thirteen miles east of central Denton and along West Farm-to-Market 720. The area around the subject is primarily residential development, commercial development, and undeveloped rural land. Also in the area are municipal uses, agricultural uses, and some commercial uses along US Highway 380, which runs approximately 2.4 miles north of the subject.

South of the subject property, about 7 miles, is Billy Ryan High School which is one of six high schools in Denton ISD. Denton ISD is a desirable district with a "B" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. The subject is located on West Farm-to-Market 720, which is a major six-lane, north/south directional, asphalt paved major throughfare that extends through the City of Oak Point. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Inferior; Located in Celina, which is located in Celina ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 2: Inferior; Located in Celina, which is located in Celina ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 3: Inferior; Located in Celina, which is located in Celina ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 4: Inferior; Located in Celina, which is located in an area that feeds into Prosper ISD which has an "A" rating and considered to be a superior ISD, however, has slightly inferior access to commercial uses; Adjusted +2%
- Sale 5: Superior; Located in Prosper, which has slightly inferior access to commercial uses, however, is located along US Highway 380 which gives this development better access to commercial uses and is located in Prosper ISD which has an "A" rating and considered to be a superior ISD; Adjusted -2%

Amenities

The subject property's amenities will consist of a commercial center, amenity center, pool, open spaces, trails, and an elementary school. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Chaparral Park PID. We have made the following adjustments for Amenities:

- Sale 1: Superior; Cambridge Crossing, which has more amenities consisting of a private amenity center, fitness center, pickleball courts, half-court basketball, jogging trails, fishing pond, playground, lap pool, resort style pool/cabana, event lawn, 7 lakes, and a future second amenity center; Adjusted -5%
- Sale 2: Similar; Hillside Village, which has similar amenities such as a resort style pool, a cabana, community trails, a playground, and parks; Adjusted 0%
- Sale 3: Superior; Parks at Wilson Creek, which has more amenities such as a city park, a resort style pool, kiddie pool, sand volleyball court, basketball court, pickleball court, 12 lakes, pocket parks, and walking trails; Adjusted -5%
- Sale 4: Similar; Wellspring Estates, which has similar amenities such as a playground, pond, walking trails, sports courts, and green space; Adjusted 0%
- Sale 5: Superior; Windsong Ranch, which has superior amenities such as a lagoon, pavilion, sand volleyball court, amenity center, sport courts, fitness center, pool, event lawn, dog park, disc golf, and

trails; Adjusted -5%

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). Sales 1, 2, and 3 are 60' lots that and were adjusted -2% each. Sales 4 and 5 are 70' lots and 71' lots and were adjusted at +2% each.

Topography/View

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

Zoning

The subject property will be in a planned development and each of the comparable sales are in planned developments with residential subdivision zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

Conclusion for 65' Lots – The 65' Lot Sales have an adjusted range of $1,793/FF to $2,737/FF with an average of $2,226/FF and a median of $2,109/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material (especially concrete) and labor which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 65' lots is $2225/FF, or $144,625/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
65' Detached Lots	37	October, 1 2025	$144,630

Cumulative Retail Lot Value

We believe a current lot market value of $2375/FF for 50' improved lots, $2325/FF for 55' improved lots, $2170/FF for 60' improved lots, and $2225/FF for 65' improved lots for with a Substantial Completion Date of October, 1 2025 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate that price, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded values per front foot is supported by the current retail price for 50-FF, 55-FF, 60-FF, and 65-FF lots similar to the subject property. Market participants noted that prices for vacant developed lots rose significantly in late 2020 and throughout 2022 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

As of the current report date, the market value the 50-FF, 55-FF, 60-FF, and 65-FF lot prices for Phase 1 and Phase 2 of the Chaparral Park PID are shown below:

CHAPARRAL PARK PID PHASE 1 & 2, DENTON COUNTY, TX 75068				
Lot Type	**Concluded Retail Value**	**Projected Completion Date**	**Number of Lots**	**Total Value**
50' Detached Lot	$118,750	October, 1 2025	82	$9,737,500
55' Detached Lot	$127,875	October, 1 2025	57	$7,288,875
60' Detached Lot	$130,200	October, 1 2025	65	$8,463,000
65' Detached Lot	$144,630	October, 1 2025	37	$5,351,310
			241	**$30,840,685**

Next, we will develop an opinion of value for the 241 *residential lots in Phase 1 and Phase 2 using the Discount Cash Flow analysis.*

DISCOUNT CASH FLOW ANALYSIS

Having completed the retail lot value conclusions using aspects of the Sales Comparison Approach, we will develop an opinion of the market value of the property to a single purchaser, as of the substantial completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of the completed construction date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future period. Valuations involving such properties must fully reflect all appropriate deductions and discounts as well as the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are those which reflect all expenses associated with the disposition of the property as well as the cost of capital and entrepreneurial profit. **This latter item of entrepreneurial profit is accounted for herein as part of the discount rate.**

The various assumptions necessary to complete our Discounted Cash Flow (DCF) analysis for the developed subject subdivision are discussed in detail in the following paragraphs.

Takedown Schedule
As discussed in detail in the "Pending Transactions to Builders" section of the report, our quarterly takedown projections are summarized as follows for the subject property based on the provided takedown schedules within the purchase contracts:

TAKEDOWN SCHEDULE FOR CHAPARRAL PARK PID PHASE 1 AND PHASE 2

Projected Quarterly Takedown Summary - Chaparral Park PID Phase 1 and Phase 2								
Lot Type	*Oct-2025*	*Jan-2026*	*Apr-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	**TOTAL**
50-FF	20	16	16	16	14	-	-	**82**
55-FF	10	8	8	8	8	8	7	**57**
60-FF	20	16	16	13	-	-	-	**65**
65-FF	9	9	9	9	1	-	-	**37**
Total	**59**	**49**	**49**	**46**	**23**	**8**	**7**	**241**

Note: Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the expected Effective Date is October, 1 2025, our analysis starts in the 4th quarter of 2025.

Value Increases During Sellout Period
Historically, in the sales contracts of volume lot sales in the marketplace, the lot prices are typically adjusted upward at rates ranging from the Wall Street Journal prime rate (8.50% as of May 2024), plus 1% (annually) up to 9.5%. Contracts between land developers and homebuilders typically have a 6% escalation which is consistent with recent improved lot appreciations over many years. Thus, for valuation purposes moving forward, we have estimated an annual appreciation on the subject's lots at 6% per year which is also consistent with residential real estate appreciation over the past decade. This is also considered reasonable given the lack of available lot and housing supply in the area and the historical realization of interest carry/appreciation by developers within DFW and surrounding market areas.

EXPENSES

Taxes are paid by the developer annually. The estimation of taxes paid per period is based upon the principle that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. The current tax rate for the bulk of the property is **0.01778685 per $100 assessed – 1.778685%** for the purpose of our analysis – with taxes due to the City of Oak Point, Denton County, and Denton ISD.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builders will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of $100,000 then the assessed value will be $70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

Cost of Sales has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

Marketing expenses are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders. This is confirmed by the contracts the developer has where the lots are presold to homebuilders.

Discount Rate
The discount rate utilized herein is essentially an anticipated Internal Rate of Return (IRR) for the subject property, as estimated from investment performance realized by market participants. The discount rate used for the subject should be less than the typical land development project because the value we are determining is for a fully entitled project in a city-approved Planned Development which will have less risk exposure than that of a raw land development. Therefore, it is appropriate to utilize a discount rate adjusted for this risk. The appraisers have included a recent discount rate survey published by Realty Rates that considers the market conditions, risk, entrepreneurial profit, and liquidity inherent in a project such as the subject that developers of similar properties would consider.

RealtyRates.com DEVELOPER SURVEY - 1st Quarter 2024* Texas - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.46%	33.57%	22.75%	14.84%	32.23%	21.84%
-100 Units	15.46%	28.94%	21.76%	14.84%	27.78%	20.89%
100-500 Units	15.85%	31.84%	22.89%	15.21%	30.56%	21.97%
500+ Units	16.23%	33.28%	23.27%	15.58%	31.95%	22.34%
Mixed Use	16.62%	33.57%	23.09%	15.95%	32.23%	22.16%
Manufactured Housing	15.95%	36.68%	24.42%	15.32%	35.21%	23.44%
-100 Units	15.95%	31.89%	23.45%	15.32%	30.62%	22.51%
100-500 Units	16.35%	35.08%	24.69%	15.70%	33.68%	23.70%
500+ Units	16.75%	36.68%	25.11%	16.08%	35.21%	24.11%
Business Parks	15.91%	34.08%	23.22%	15.28%	32.72%	22.29%
-100 Acres	15.91%	29.64%	22.32%	15.28%	28.45%	21.43%
100-500 Acres	16.31%	32.60%	23.48%	15.66%	31.30%	22.54%
500+ Acres	16.71%	34.08%	23.87%	16.04%	32.72%	22.92%
Industrial Parks	16.00%	29.61%	21.25%	15.36%	28.43%	20.40%
-100 Acres	16.00%	25.75%	20.46%	15.36%	24.72%	19.64%
100-500 Acres	16.40%	28.33%	21.47%	15.75%	27.19%	20.61%
500+ Acres	16.80%	29.61%	21.82%	16.13%	28.43%	20.94%
*4th Quarter 2023 Data				Copyright 2024 RealtyRates.com™		

As shown, the minimum actual rates in Texas range from 15.46% for less than 100 units; 15.85% for 100 to 500 units; and 16.23% for 500+ units with minimum pro-forma rates ranging from 14.84% to 15.58%.

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". Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has numerous purchasers of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an internal rate of return (IRR) that is similar to the minimum actual rate provided by the Realty Rates "Developer Survey" for Texas of 15.85% for 100-500 units; and 15.21% for likewise minimum pro-forma rates is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject's submarket area, we have selected a discount rate of **15%** for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject (assisted by involvement of the PID), as well as the current market conditions. To be consistent with the timing of the cash flows, the annual income stream is discounted quarterly with an annual DCF also included. With each of the required elements now identified, we will analyze the subject in DCF analyses as shown on the following pages.

CHAPARRAL PARK PID– DISCOUNT CASH FLOW (DCF) ANALYSIS

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Construction Complete October, 1 2025
- Retail lot values: $118,750 for 50-FF lots
- Retail lot values: $127,875 for 55-FF lots
- Retail lot values: $130,200 for 60-FF lots
- Retail lot values: $144,625 for 65-FF lots
- 6% Appreciation/Year (1.5%/Quarter)
- 50-FF Lots sell at 20/Quarter for 4Q2025, then 16/quarter
- 55-FF Lots sell at 10/Quarter for 4Q2025, then 8/quarter
- 60-FF Lots sell at 20/Quarter for 4Q2025, then 16/quarter
- 65-FF Lots sell at 9/Quarter
- Discount Rate 15% (3.75%/Quarter)
- Tax Expense on Inventory is 1.778685%/Year, 0.44467125%/Quarter, but is discounted 30%
- Sales and Marketing Expense (1.5% of Revenue)

As Substantial Completion on the lots is expected to be complete by October, 1 2025, we believe lot prices will continue to appreciate closer to their historical average which is closer to 6% per year. Thus, we have concluded that current retail lot values will be similar when the lots are finished, and takedowns begin. Therefore, as of the expected Substantial Completion Date (October, 1 2025) **the retail lot value for 50-FF lots is $118,750 with a total cumulative value of $9,737,500, the retail lot value for 55' lots is $127,875 with a total cumulative value of $7,288,875, the retail lot value for 60' lots is $130,200 with a total cumulative value of $8,463,000, and the retail lot value for 65' lots is $144,630 with a total cumulative value of $5,351,310, with a combined total of $30,840,685** as shown in the following table:

CHAPARRAL PARK PID PHASE 1 & 2, DENTON COUNTY, TX 75068					
Total Lots	**Feet Frontage (FF)**	**Retail Price/Lot**	**Projected Completion Date**	**Price/FF ($/FF)**	**Total Retail Value ($)**
82	50 FF	$118,750	October, 1 2025	$2375/FF	$9,737,500
57	55 FF	$127,875	October, 1 2025	$2325/FF	$7,288,875
65	60 FF	$130,200	October, 1 2025	$2170/FF	$8,463,000
37	65 FF	$144,630	October, 1 2025	$2225/FF	$5,351,310
241					***$30,840,685***

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. The annual DCF is a more rudimentary calculation, and we consider the quarterly analysis to be more accurate. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 3.75% is applied to each period. Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the expected Substantial Completion Date is October, 1 2025, we will analyze on a quarterly basis starting October 2025.

DISCOUNT CASH FLOW DATA – CHAPARRAL PARK PHASE 1 AND PHASE 2 LOTS (QUARTERLY)

	Oct. 2025			Jan. 2026		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	82	$ 118,750	20	62	$ 120,531	16
55-FF Lot	57	$ 127,875	10	47	$ 129,793	8
60-FF Lot	65	$ 130,200	20	45	$ 132,153	16
65-FF Lot	37	$ 144,625	9	28	$ 146,794	9
Revenue		**$ 7,559,375**			**$ 6,402,442**	
Tax Expense		*$ (63,998)*			*$ (61,217)*	
Sales Expense		*$ (113,391)*			*$ (96,037)*	
Net Income		**$ 7,381,986**			**$ 6,245,189**	
Factor		**0.982681**			**0.948939**	
Income Net Present Value (NPV)		**$ 7,254,141**			**$ 5,926,303**	

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	Apr. 2026			Jul. 2026		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	46	$ 122,339	16	30	$ 124,174	16
55-FF Lot	39	$ 131,740	8	31	$ 133,716	8
60-FF Lot	29	$ 134,135	16	13	$ 136,147	13
65-FF Lot	19	$ 148,996	9	10	$ 151,231	9
Revenue		**$ 6,498,479**			**$ 4,324,916**	
Tax Expense		*$ (46,082)*			*$ (34,715)*	
Sales Expense		*$ (97,477)*			*$ (64,874)*	
Net Income		**$ 6,354,920**			**$ 4,225,327**	
Factor		**0.916355**			**0.884890**	
Income Net Present Value (NPV)		**$ 5,823,364**			**$ 3,738,951**	

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	Oct. 2026			Jan. 2027		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	14	$ 126,037	14	-	-	-
55-FF Lot	23	$ 135,722	8	15	$ 137,758	8
60-FF Lot	-	-	-	-	-	-
65-FF Lot	1	$ 153,500	1	-	-	-
Revenue		**$ 3,003,792**			**$ 1,102,062**	
Tax Expense		*$ (15,687)*			*$ (6,432)*	
Sales Expense		*$ (45,057)*			*$ (16,531)*	
Net Income		**$ 2,943,048**			**$ 1,079,099**	
Factor		**0.854506**			**0.825164**	
Income Net Present Value (NPV)		**$ 2,514,851**			**$ 890,434**	

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	Apr. 2027		
Lot Type	Units Available	Lot Price	Sales
50-FF Lot	-	-	-
55-FF Lot	7	$ 139,824	7
60-FF Lot	-	-	-
65-FF Lot	-	-	-
Revenue		**$ 978,768**	
Tax Expense		*$ (3,047)*	
Sales Expense		*$ (14,682)*	
Net Income		**$ 961,040**	
Factor		**0.796831**	
Income Net Present Value (NPV)		**$ 765,786**	

Total Net Revenue Over ~7 Quarters	***$29,190,609***
Net Present Value (As-Is) at 15% Discount Rate	***$26,913,830***
Rounded	**$26,914,000**

DISCOUNT CASH FLOW DATA –CHAPARRAL PARK PID PHASE 1 AND PHASE 2 LOTS (ANNUAL)

	2025			2026		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	82	$ 118,750	20	62	$ 123,263	62
55-FF Lot	57	$ 127,875	10	47	$ 132,734	32
60-FF Lot	65	$ 130,200	20	45	$ 134,106	45
65-FF Lot	37	$ 144,625	9	28	$ 150,121	28
Revenue		**$ 7,559,375**			**$ 22,127,922**	
Tax Expense		*$ (95,997)*			*$ (300,300)*	
Sales Expense		*$ (113,391)*			*$ (331,919)*	
Net Income		**$ 7,349,987**			**$ 21,495,703**	
Factor		**0.982681**			**0.900485**	
Income Net Present Value (NPV)		**$ 7,222,696**			**$ 19,356,564**	

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	2027		
Lot Type	Units Available	Lot Price	Sales
50-FF Lot	0	-	0
55-FF Lot	15	$ 138,774	15
60-FF Lot	0	-	0
65-FF Lot	0	-	0
Revenue		**$ 2,081,605**	
Tax Expense		*$ (12,959)*	
Sales Expense		*$ (31,224)*	
Net Income		**$ 2,037,422**	
Factor		**0.810874**	
Income Net Present Value (NPV)		**$ 1,652,092**	

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Total Net Revenue Over ~3 Years	***$30,883,112***
Net Present Value (As-Is) at 15% Discount Rate	***$28,231,353***
Rounded	**$28,231,000**

Note: Annual discount and appreciation calculations are averaged to the middle of the period

DCF Conclusion (Improved 50', 55', 60', and 65' Lots)
Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the improved lots in Phase 1 and Phase 2 of the Chaparral Park PID in a bulk sale transaction would be between $26,913,830 and $28,231,353, which is approximately $1,317,523 (4.67%) different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Chaparral Park PID Phase 1 and Phase 2 "Upon Completion" with an Effective Date of October, 1 2025, for 241 lots is $26,914,000 ($111,676/Lot).**

INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSIONS
Using the Discount Cash Flow Analysis to determine the net present value as of the expected substantial completion date (October, 1 2025), we have determined the following value for Chaparral Park PID Phase 1 and Phase 2 as shown in the table below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete October 1, 2025	
Chaparral Park PID ***241 Improved Lots in Phase 1 and Phase 2***	***$26,914,000 ($111,676/Lot)***

RECONCILIATION AND FINAL VALUE CONCLUSION

The Appraisal of Real Estate, Fourteenth Edition, copyright 2013, pages 641-642, published by the Appraisal Institute states,

"Resolving the differences among various value indications is called reconciliation…. The final value opinion is not the average of the different value indications derived. No mechanical formula is used to select one indication over the others…Final reconciliation relies on proper application of appraisal techniques and the appraiser's judgment."

Three approaches to value are recognized in the appraisal profession (Sales Comparison Approach, Cost Approach, and Income Approach). All three approaches were analyzed and developed as part of the scope of work of this assignment. A summary of each approach follows:

Cost Approach
The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project.

Since the improved single-family residential lots in Chaparral Park PID will be constructed in four phases over several years, the Cost Approach is not appropriate and thus was not utilized to value the improved lots in Phase 1 and Phase 2. This approach is most beneficial when appraising a proposed or recently built project and is typically used when developed units make up a substantial portion of the entire project.

Income (Subdivision Development) Approach
For the improved residential lots, the Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases the bulk of the lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

Since our assignment is to determine the bulk sale value of 241 improved residential lots in Chaparral Park PID Improvement Phase 1 and Phase 2, as of the substantial completion date, the Income Approach is appropriate and was developed. **Through Discounted Cash Flow Analysis, we determined the market value of the 241 improved lots "Upon Completion" in Chaparral Park PID Phase 1 and Phase 2 as of October, 1 2025, is $26,914,000 ($111,676/Lot).**

Sales Comparison Approach
For the improved lots within phase 1 and phase 2, the Sales Comparison Approach was not fully developed because finding highly similar and recent sales of improved groups of lots or subdivisions is not available in the market. Aspects of the Sales Comparison Approach were utilized in concluding the retail lot market values for use in the Income Approach for the improved lots within the Chaparral Park PID.

Final Value Conclusion Summary

As a result of our investigations, studies and analysis of the sale, cost, income, and expense data, interpreted within the context of all the factors in the marketplace which effect value, our reconciliation of the indicated values between the utilized approaches to value are listed in the table below. The property type warranted only a single approach to be developed so our final value for the property type: improved residential lots. Our final value conclusion for the property types is shown below:

FINAL MARKET VALUE CONCLUSION CHAPARRAL PARK PID			
	Cost	***Sales***	***Income (Subdivision)***
Fee Simple Interest, Complete October 1, 2025	**N/A**	**N/A**	***$26,914,000 ($111,676/Lot)***
Phase 1 and Phase 2			
241 Improved Lots			

Exposure Time
Assuming adequate exposure and normal marketing efforts, the estimated exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded to in this analysis as of the date of this valuation) would have been at least 6-12 months; the estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be between 6-12 months.

Marketing Time
Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the Effective Date of value. Market conditions are presently strong, and we expect no significant changes in the near term. It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6-12 months.

ADDENDA

ENGAGMENT LETTER

Peyco Southwest Realty Inc.
In Arlington Since 1976

Real Estate Brokerage * Development * Appraisals * Property Tax Consulting
1703 N. Peyco Dr. Arlington, Texas 76001
Metro 817-467-6803 * Fax 817-465-7464 * www.peycosouthwest.com

May 6, 2024

Mr. R.R. "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Ste. 300-25
Frisco, Texas 75034
tdavenport@fmsbonds.com

SUBJECT: Proposal/Authorization for Valuation and Consulting Services of a residential master planned development known as the "Chaparral Park Public Improvement District" located in the City of Oak Point, Denton County, Texas

Dear Mr. Davenport:

Upon your acceptance of this contract engagement, Peyco Southwest Realty, Inc. ("Peyco"), will prepare an appraisal of the Subject Property:

Purpose of the Assignment The purpose of the appraisal is to provide an opinion of the "As-Complete" and "As-If Improved" market value of the fee simple interest in the Subject Property outlined herein. We will assume that the City of Oak Point will approve or has approved the proposed development and that all development entitlements are in place for the "Project" to proceed. Further, our valuation will also be based upon, and assume that:

a) Only limited specific offsite general infrastructure indicated is fully funded with cash or cash-equivalent (lines of credit, completion agreements, etc.) with special assessments levied on property within the Chaparral Park Public Improvement District ("PID"), and

b) Improvement relating to the "Project" will be completed based on engineering plans provided to the appraisers

It is our understanding that the Appraisal Report will be included in the Preliminary and Final Official Statements for the sale of one or more series of Public Improvement District (PID) bonds for the Project, and we will provide our written consent to the inclusion of the Appraisal Report in the Preliminary and Final Official Statements. The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule.

In accordance with our correspondence, the scope of this assignment will require Peyco to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis, and preparation of the report. **The report will include an opinion of the fee simple market value of the following:**

- **Approximately 178 improved residential lots to be sold in bulk in Phase 1 of the Chaparral Park PID. We will report the estimated retail value of the lots during the sellout period consisting of:**
  - **61 lots of 50-FF sizes,**
  - **42 lots of 55-FF sizes,**
  - **51 lots of 60-FF sizes, and**
  - **24 lots of 65-FF sizes**

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a federally regulated financial institution.

The appraisal will be communicated in an Appraisal Report-Standard Format Report. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions, a copy of which is attached as Attachment 1.

The total fee for this assignment will be $17,000 which will be paid for by the Developer, but payment may be reimbursed to the developer as a qualified creation and issuance cost of the "Public Improvement District". Please note that the full fee must be received in our office before the commencement of this appraisal. The delivery date will be within 30 days from your signed acceptance of this letter agreement, receipt of the fee and receipt of requested documents from the developer, but subject to extension based upon late delivery of the requested data and scheduled access for inspection. **We will require the full fee of $17,000 prior to the commencement of this appraisal assignment.** If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed.

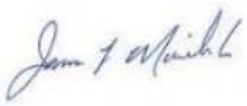
Two hard copies of the appraisal report will be provided upon request. Digital copies, in PDF format, will be delivered upon completion via email or other file transfer as client requests. Additionally, we confirm our permission to use the final appraisal report in the offer and sale of public securities secured by the special assessments levied on property within the PID for the "Project"; and we confirm that we will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose. The 30-day delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment. Should, upon review of the draft Appraisal Report, the client requests material changes, or additions beyond the agreed to Scope of Work that materially affect the appraisal report and/or resulting values; the Client agrees to additional scope of work changes at our current hourly rates ($300/hour).

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance, or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment, and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our current hourly rates ($300/hour) for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Peyco and its partner companies may utilize, sell, and include such data (either in the aggregate or individually), in the Peyco database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available, as well as proprietary software programs, to perform your assignment (web based and others).

If you are in agreement with the terms set forth in this letter and wish us to proceed with the contract engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,



James L. Maibach, C.P.M.
TX-1323658
State Certified General Real Estate Appraiser

AGREED TO AND ACCEPTED THIS _____DAY OF _____, 2024.

BY:

FMS Bonds, Inc.

Tripp Davenport
Authorized Signature

_____
Name (printed)

Page **3** of **7**

ATTACHMENT 1: STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and restrictions. The Subject Property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the Subject Property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the Subject Property more or less valuable. Furthermore, there is no asbestos or environmental contamination at the Subject Property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The Subject Property is in compliance with all applicable building, environmental, zoning, and other federal, state, and local laws, regulations, and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena, or attend any court, governmental or other hearing with reference to the Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in the appraisal report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the Subject Property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed that the Subject Property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the Subject Property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates, and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding compliance of the Subject Property with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the Subject Property. Peyco and/or any of its officers, owners, managers, directors, agents, subcontractors, or employees (the "Peyco Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are nonexistent or minimal.
22. We are not a building or environmental inspector. Peyco does not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
24. Peyco is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Peyco is not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we

assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.

26. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.
27. As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.


0 250 500
FEET
MARTOP ROAD
LEGEND
LOT COUNT
LOT TYPE 1 139
LOT TYPE 2 102
FM 720
WINCHESTER ROAD
McCORMICK ROAD
LOT TYPES
IMPROVEMENT AREA #1
MAY 2024
CHAPARRAL PARK
LJA Engineering, Inc.

LEGAL DESCRIPTION
CHAPARRAL PARK PID PHASE 1 AND PHASE 2

METES AND BOUNDS DESCRIPTION
44.354 ACRES

BEING 44.354 ACRES OF LAND SITUATED IN THE G.W. DANIEL SURVEY, ABSTRACT NO. 331, CITY OF OAK POINT, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A TRACT OF LAND DESCRIBED TO BLOOMFIELD HOMES, LP BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-14151, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND ON THE NORTH LINE OF LOT 1, BLOCK A OF OAK MOUNT ADDITION, AN ADDITION TO THE CITY OF OAK POINT, DENTON COUNTY, TEXAS, AS SHOWN BY PLAT RECORDED IN COUNTY CLERK NO. 2020-242, PLAT RECORDS, DENTON COUNTY TEXAS, FROM WHICH A 1/2-INCH CAPPED IRON ROD STAMPED "SPAIRS ENG" FOUND FOR THE NORTHEAST CORNER OF SAID LOT 1 BEARS NORTH 89°46'23" EAST, A DISTANCE OF 300.25 FEET;

THENCE SOUTH 89°46'23" WEST, WITH SAID NORTH LINE, A DISTANCE OF 291.85 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND;

THENCE DEPARTING SAID NORTH LINE, OVER AND ACROSS SAID BLOOMFIELD HOMES TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 89°46'34" WEST, A DISTANCE OF 121.21 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 14.49 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 50.00 FEET;

NORTH 45°13'26" WEST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

NORTH 44°46'34" EAST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 220.00 FEET;

NORTH 45°13'26" WEST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

NORTH 44°46'34" EAST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 220.00 FEET;

NORTH 45°13'26" WEST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

NORTH 44°46'34" EAST, A DISTANCE OF 14.14 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 110.00 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 400.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 120.00 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 50.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

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METES AND BOUNDS DESCRIPTION
44.354 ACRES

NORTH 89°46'34" EAST, A DISTANCE OF 7.45 FEET;

NORTH 01°51'10" EAST, A DISTANCE OF 1,540.03 FEET;

SOUTH 88°08'50" EAST, A DISTANCE OF 45.00 FEET;

NORTH 01°51'10" EAST, A DISTANCE OF 146.69 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF MARTOP ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 87°10'25" EAST, A DISTANCE OF 294.91 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 525.00 FEET AND A CHORD THAT BEARS SOUTH 74°25'42" EAST, 231.63 FEET;

WITH SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 25°29'19", AN ARC-DISTANCE OF 233.55 FEET TO A 5/8-INCH IRON ROD FOUND;

SOUTH 61°39'36" EAST, A DISTANCE OF 97.48 FEET TO 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 625.00 FEET AND A CHORD THAT BEARS SOUTH 71°15'47" EAST, 208.14 FEET;

WITH SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 19°10'12", AN ARC-DISTANCE OF 209.11 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED AS "TRACT 1" TO 12 AC FM720 PARTNERS LLC BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-98593 OF SAID REAL PROPERTY RECORDS;

THENCE SOUTH 00°12'59" EAST, WITH THE WEST LINE OF SAID TRACT 1, A DISTANCE OF 695.99 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE SOUTHWEST CORNER OF SAME TRACT;

THENCE WITH THE SOUTH LINE OF SAID TRACT 1, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89°46'34" EAST, A DISTANCE OF 114.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 77°40'54" EAST, A DISTANCE OF 71.59 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 89°46'34" EAST, A DISTANCE OF 106.13 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 44°46'48" EAST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND ON THE WEST RIGHT-OF-WAY LINE OF F.M. HIGHWAY NO. 720 (A VARIABLE WIDTH RIGHT-OF-WAY) AS DEDICATED BY DEED RECORDED IN COUNTY CLERK FILE NO. 2013-50065 OF SAID REAL PROPERTY RECORDS;

THENCE SOUTH 00°12'57" EAST, WITH SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 100.00 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHEAST CORNER OF A

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METES AND BOUNDS DESCRIPTION
44.354 ACRES

TRACT OF LAND DESCRIBED AS "TRACT 2" TO 12 AC FM720 PARTNERS LLC BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-98593 OF SAID REAL PROPERTY RECORDS;

THENCE WITH THE NORTH LINE OF SAID TRACT 2, THE FOLLOWING COURSES AND DISTANCES:

NORTH 45°13'12" WEST, A DISTANCE OF 14.14 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

SOUTH 89°46'34" WEST, A DISTANCE OF 106.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

NORTH 78°07'44" WEST, A DISTANCE OF 71.59 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

SOUTH 89°46'34" WEST, A DISTANCE OF 114.12 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND FOR THE NORTHWEST CORNER OF SAID TRACT 2;

THENCE SOUTH 00°13'19" EAST, WITH THE WEST LINE OF SAID TRACT 2, A DISTANCE OF 1152.20 FEET TO A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE SOUTHWEST CORNER OF SAME TRACT;

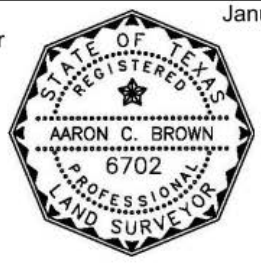
THENCE SOUTH 00°12'12" EAST, OVER AND ACROSS SAID BLOOMFIELD HOMES TRACT, A DISTANCE OF 508.30 FEET TO THE **POINT OF BEGINNING**, CONTAINING A CALCULATED AREA OF 44.354 ACRES (1,932,074 SQ. FEET) OF LAND.

BASIS OF BEARING IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83 (2011) EPOCH 2010, AS DETERMINED BY GPS OBSERVATIONS.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

Aaron C. Brown, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 6702
LJA Surveying, Inc.
3017 West 7th Street, Suite 300
Fort Worth, Texas 76107
682-747-0800
TBPELS Firm No. 10194382

January 17, 2024



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METES AND BOUNDS DESCRIPTION
12.582 ACRES

BEING 12.582 ACRES OF LAND SITUATED IN THE G. W. DANIEL SURVEY, ABSTRACT No. 331, DENTON COUNTY, TEXAS, AND BEING A PORTION OF A TRACT OF LAND DESCRIBED TO BLOOMFIELD HOMES LP BY DEED RECORDED IN COUNTY CLERK FILE NO. 2023-14151, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2-INCH CAPPED IRON ROD STAMPED "COLEMAN RPLS 4001" FOUND FOR THE NORTHEAST CORNER OF LOT 1, BLOCK 1, DENTON MIDDLE SCHOOL NO. 8 ADDITION, AN ADDITION TO THE CITY OF OAK POINT, DENTON COUNTY, TEXAS AS SHOWN BY PLAT RECORDED IN COUNTY CLERK FILE NO. 2019-516, PLAT RECORDS, DENTON COUNTY, TEXAS, SAME BEING ON THE SOUTH RIGHT-OF-WAY LINE OF MARTOP ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE SOUTH 88°10'49" EAST, WITH SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 181.10 FEET TO A 5/8-INCH CAPPED IRON ROD STAMPED "LJA SURVEYING" FOUND;

THENCE SOUTH 87°10'25" EAST, CONTINUING WITH SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 153.93 FEET;

THENCE DEPARTING SAID SOUTH RIGHT-OF-WAY LINE, OVER AND ACROSS SAID BLOOMFIELD TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 01°51'10" WEST, A DISTANCE OF 146.69 FEET;

NORTH 88°08'50" WEST, A DISTANCE OF 45.00 FEET;

SOUTH 01°51'10" WEST, A DISTANCE OF 1,540.03 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 7.45 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 50.00 FEET;

NORTH 89°46'34" EAST, A DISTANCE OF 50.00 FEET;

SOUTH 00°13'26" EAST, A DISTANCE OF 120.00 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 295.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 120.00 FEET;

SOUTH 89°46'34" WEST, A DISTANCE OF 50.00 FEET;

NORTH 00°13'26" WEST, A DISTANCE OF 50.00 FEET;

NORTH 89°46'34" EAST, A DISTANCE OF 12.26 FEET;

NORTH 01°51'10" EAST, PASSING A 5/8-INCH CAPPED IRON ROD STAMPED "TNP" FOUND FOR THE SOUTHEAST CORNER OF SAID DENTON MIDDLE SCHOOL NO. 8 ADDITION AT A DISTANCE OF 120.08 FEET, AND CONTINUING WITH THE WEST LINE OF SAID BLOOMFIELD HOMES TRACT A TOTAL DISTANCE IN ALL OF 1,699.74 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 12.582 ACRES (548,087 SQ. FEET) OF LAND.

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METES AND BOUNDS DESCRIPTION
12.582 ACRES

BASIS OF BEARING IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE, NAD83 (2011) EPOCH 2010, AS DETERMINED BY GPS OBSERVATIONS.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

Aaron C. Brown, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 6702
LJA Surveying, Inc.
3017 West 7th Street, Suite 300
Fort Worth, Texas 76107
682-747-0800
TBPELS Firm No. 10194382

May 15, 2024

STATE OF TEXAS
REGISTERED
AARON C. BROWN
6702
PROFESSIONAL
LAND SURVEYOR

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Page 2 of 2

ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

1) The value assumes of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise described herein. No responsibility is assumed by the appraiser for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.

2) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser assumes no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches, and other exhibits that have been furnished and have been used in this report are not guaranteed.

3) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.

4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.

5) Appraisers assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.

6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser, and in any event, only in its entirety.

7) The appraiser, by reason of this report, is not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made, therefore.

8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.

9) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.

10) Any construction and physical condition of the improvements described herein are based on the building construction plans and specifications and construction budgets <u>if</u> provided. No liability is assumed by the appraiser for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No

responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field as this is any considered "to-be-built" improvements.

11) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser site visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.

12) We have made no survey of the property and assume no responsibility in connected with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

13) We accept no responsibility for issues requiring expertise in other fields. Such factors include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic items such as soils and seismic stability; civil, mechanical, electrical, structural, and other engineering and environmental matters. Such issues may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.

14) The projections of income, expenses, terminal values, or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.

15) The client or user of this report agrees to notify the appraiser of any error, omission or inaccurate data contained in the report within 15 days of receipt and return the report and all copies thereof to the appraiser for correction prior to any use.

16) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.

17) We have assumed no extreme fluctuations in the economic cycles will occur over the dates analyzed herein.

18) The appraisal report and value conclusions assume the satisfactory development proceeds in a workmanlike manner.

19) The conclusions in this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, existing trends, interviews with parties knowledgeable and experienced in the market, data obtained from public records, and research conducted by third parties. Such data is not always completely reliable. The appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the Effective Date of this assignment. In addition, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we hold the opinion that our finding is reasonable based on current market conditions, we do not represent that these estimates will be achieved, as they are forecasts and subject to risk and uncertainty. Additionally, we assume competent and effective management and market for the duration of the projected holding period of this property.

20) Prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to risk and uncertainty. Many events could occur that may substantially alter the outcome of our estimates such as changes in the economy, interest rates, capitalization rates, the behavior of consumers, investors, and lenders, and changes in title or conveyances of easements and deed restrictions. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.

21) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan. However, it is based on a hypothetical assumption that access to the south tract is achievable in accordance with all applicable regulations, and any building is to be constructed according to the approved plans and specifications provided by a licensed general contractor.

22) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.

23) In addition to the preceding assumptions and limiting conditions, this appraisal is subject to the following extraordinary assumptions and/or hypothetical conditions:

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **extraordinary assumptions** that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary assumptions are used in this assignment because the improved residential lots to be delivered by the dates utilized in this report are currently incomplete as of the report date.

- Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications provided by the engineering plans published by LJA Engineering, Inc as of February 2024, for 241 improved residential lots in Chaparral Park PID Phase 1 and Phase 2.
- All information relative to the property located within Chaparral Park PID including land areas, lot totals, lot sizes, and other pertinent data that was provided by Bloomfield Homes LP (Owner/Developer), LJA Engineering, Inc (Professional Engineers and Surveyor), the City of Oak Point, and the Denton Central Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with an expected completion date of October, 1 2025; therefore, this report contains a prospective opinion of value. Considering this, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable global events that alter market conditions prior to the prospective Effective Date.

The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **hypothetical conditions** that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

No Hypothetical Conditions are used in this report.

ENVIRONMENTAL ASSUMPTIONS

This report is subject to the following environmental assumptions:

1) There is a safe, lead-free, adequate supply of drinking water.

2) The subject property is free of soil contamination.

3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.

4) There are no uncontained PCB's on or near the property.

5) The radon level is at or below EPA recommended levels.

6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled and sealed.

7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.

8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.

9) There is no flaking or peeling of lead-based paint on the property.

10) The property is free of air pollution.

11) There are no wetlands/flood plains on the subject property (unless otherwise stated in the report).

12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

DEFINITIONS

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Leased Fee Interest
The ownership interest held by the lessor includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest
The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Market Rent
The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value
Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) Buyer and seller are typically motivated;
(2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
(3) A reasonable time is allowed for exposure in the open market;
(4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The value conclusions expressed within this report are in terms of cash ($US).

Extraordinary assumptions are assignment-specific assumptions as of the Effective Date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Hypothetical condition a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the Effective Date of the assignment results but is used for the purpose of analysis.

Prospective Opinion of Value
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a valued opinion as being effective at some specific future date. An opinion of value as of a prospective

date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Market Value "As Completed" and "As Stabilized"
A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an Effective Date that is subsequent to the date of the Appraisal Report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed - reflects the property's market value as of the time that development is expected to be completed. The prospective market value - as stabilized - reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Statement 4* and Advisory Opinion 17.) (Interagency Appraisal and Evaluation Guidelines)

Retrospective Value Opinion
A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a valuable opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."

Neighborhood
(1) A group of complementary land users; a congruous grouping of inhabitants, buildings, or business enterprises.
(2) A developed residential super pad within a master-planned community usually has a distinguishing name and entrance.

Depreciation

1. In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the Effective Date of the appraisal and the market value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.

The three major types of accrued depreciation are:

Physical Deterioration
Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the

condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

Functional Obsolescence
Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

External Obsolescence
According to the Dictionary of Real Estate Appraisal, Sixth Edition, external obsolescence is "*A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent."*

Paper Lot
Consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.

Definition Sources:

- Office of the Comptroller of the Currency (12 CFR Part 34)
- Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.
- The Appraisal Foundation: USPAP (Uniform Standards of Professional Appraisal Practice) 2018-2019 edition

JAMES L. MAIBACH, CPM - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

EDUCATION:
Graduate North Quincy High School, Quincy, Massachusetts, 1976
Bachelor of Science in Business Administration (with Honors)
Northeastern University, Boston Massachusetts, 1981
Major: Accounting Minor: Marketing

TECHNICAL TRAINING:
Institute of Real Estate Management Courses:
#303 - Leasing and Management of Shopping Center and Retail Space
#400 - Managing Real Estate as an Investment
#500 - Problem-Solving & Decision-Making for the Property Manager
#800 - Ethics in Real Estate Management
University of Texas at Arlington: Real Estate Courses:
RE 001 Real Estate Finance; RE 004 Real Estate Mathematics;
RE 101 Principles of Real Estate; RE 301 Texas Real Estate Law: Contracts;
RE 501 Texas Real Estate Law; RE 701 Property Management
East Texas Baptist University:
Uniform Standards of Professional Appraisers and Code of Ethics. The Appraisal Foundation:
USPAP Update
Texas Association of Property Tax Professionals, Inc.:
Principles of Property Tax Consulting; A Survey of Texas Property Tax Law
Other: USPAP-97 Instructor's Workshop, USPAP Instructor 1997
TREC Licensed Instructor – Commercial Investment Course, CEI 1998
Continuing Education Institute:
Deceptive Trade Practices Act; Let's Talk-Not Fight; Property Taxes: Rights, Remedies and Responsibilities; USPAP Update
Institute for Real Estate Professionals, Inc.
Preparing & Presenting an Ethical Ad Valorem Property Tax Valuation; Texas Property Tax Law 2007
Texas Association of Realtors:
Tarrant County Appraisal Review Board Member (1991-1992)

PROFESSIONAL AFFILIATIONS:
Texas Appraiser Licensing and Certification Board - State Certified General Real Estate Appraiser No. TX-1323658-G since 1992
Institute of Real Estate Management (IREM)- Certified Property Manager, CPM Designation No. 14942 since 1993
Texas Real Estate Broker's License, No. 375882 since 1989
Texas Dept. of Licensing & Regulations - Licensed Property Tax Consultant, License #1360 since inception
Texas Property Tax Arbitrator #32020394139 since 2006
Tarrant Appraisal Review Board Member 1991-1992 Appointment
City of Arlington - Planning and Zoning – Commissioner1997-2003 (Appointed by Mayor and City Council)
American Planning Association – Member 1997 to 2003
Greater Arlington Chamber of Commerce - Board of Directors 1995 to 2001 – Reappointed 2003 to 2006 – Reappointed 2008 to 2014 – Chairman of the Board 2022, now servicing as Chairman of the Chamber Foundation Board
City of Arlington Parks & Recreation – Board of Directors, Appointed 2003 to 2007
Levitt Pavilion – Board of Directors since 2014

EXPERIENCE:
Active field appraiser, property manager, developer, broker, and tax consultant of all types of real property since June,1986. Appeared in Texas State Court as an expert witness on real estate values on numerous occasions (1990s, 2000s, 2020s). A property manager and developer for nineteen years at Peyco Properties, Inc. and twenty-one years through Peyco Southwest Realty, Inc. (formerly Southwest Real Estate Services, Inc.), involved in real estate development, leasing, management, rent analysis and consulting services through the DFW metroplex and Colorado. President and founder of Peyco Southwest Realty, Inc. (Southwest Real Estate Services, Inc.), a full-service brokerage company, real estate appraisal, and ad valorem property tax representation firm.



TALCB

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **James Lawrence Maibach**

License #: **TX 1323658 G** License Expires: **09/30/2024**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner

LESLIE TOLLIVER – STATE CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER

EDUCATION:
MBA – Masters in Business Administration – *University of Phoenix* (3.95 GPA)
Bachelor of Science in Business Administration - *University of Phoenix*
Graduate *Owings Mills High School*, Owings Mills, Maryland, 1988

TECHNICAL TRAINING:
Appraisal Institute – 300 hours of qualifying education for the Certified General Appraiser license
University of Texas in Arlington – 180 hours of qualifying education for the Texas Real Estate License
Southern Methodist University – qualifying education for the Texas Comptroller Arbitrator registry

PROFESSIONAL AFFILIATIONS:
Texas Appraiser Licensing and Certification Board – State Certified Residential Appraiser No. TX-1361274
Texas Real Estate Commission – Real Estate Broker License, No. 0468343

EXPERIENCE:

- 7 Years' experience as a fee appraiser for residential and commercial properties for *Peyco Southwest Realty, Aloft Appraisals*, and *G.S. Zachary Company*
    - Residential appraisals – area of expertise is in north Texas region; FHA certified
    - Commercial appraisals - throughout the states of Texas and Oklahoma
- 24 Years' experience as a residential and commercial real estate broker for multiple firms
    - *Savage Realty Investments* – Founding President
        - Negotiated contracts for clients in over $50 million dollars of real estate transactions
        - Managed and trained over 25 Real Estate Agents
    - *Fathom Realty* – Broker Team Leader
        - Trained and mentored Real Estate Agents and assisted them with contracts and client transactions
- 24 Years' experience as a Property Tax Consultant
    - Valued properties, prepared cases, and appeared before Appraisal Review Boards to dispute the tax valuations of residential, commercial, and business personal property throughout the nation. Major clientele base included national accounts such as: Sonic restaurants, Church's Chicken restaurants, and Chuck-E-Cheese restaurants
- 9 Years' experience as a Real Estate Arbitrator on the *Texas Comptroller* registry
    - Act as an Arbitrator for real estate cases involving property tax disputes on residential, commercial, and business personal property taxes throughout Texas
    - Made binding valuation determinations for the disputed properties
- 16 Years' experience as a Real Estate Instructor at the *University of Texas in Arlington*
    - Adjunct instructor, teaching real estate classes to students pursuing a Real Estate Agent license in Texas
- 6 Years' experience as a Real Estate Arbitrator Instructor at the *University of Texas in Arlington*
    - Adjunct instructor, teaching continuing education classes to existing Arbitrators on the Texas Comptroller's registry
    - Trained and mentored many Arbitrators
- 3 Year's expectancy as a Real Estate Acquisition and Valuation Analyst for multiple firms
    - *KeyGlee* – Provided valuation of residential real estate for wholesaling to real estate investors
    - *Hyperion Homes* – Provided valuation of residential real estate for rent-to-own clients



TALCB

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified Residential Real Estate Appraiser

Appraiser: **Leslie Elizabeth Tolliver**

License #: **TX 1361274 R** License Expires: **06/30/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified Residential Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

BROOKE CLOCK – LICENSED RESIDENTIAL APPRAISER

TECHNICAL TRAINING:

McKissock Learning Appraisal Courses:

- Advanced Residential Applications and Case Studies
- Residential Report Writing and Case Studies
- Statistics, Modeling and Finance
- Appraisal Subject Matter Electives
- Residential Appraiser Site Valuation and Cost Approach
- Residential Market Analysis and Highest and Best Use
- Residential Sales Comparison and Income Approaches
- Basic Appraisal Procedures
- 2020-2021 National USPAP Course
- Short Sales and Foreclosures
- Fair Housing
- Characteristics of Real Estate Title Insurance

APPRAISAL EXPERIENCE:

April 2024 – Present

Licensed Residential Appraiser with Peyco Southwest Realty, Arlington, TX

- Written Reports on Commercial Industrial, Commercial Office, Vacant Land.
- Property Tax Consultant.
- Business Personal Property.
- April 2023-April 2024

Licensed Residential Appraiser with RSDS Appraisal Diversity, Irving, TX

- Residential Real Estate Appraisals – area of expertise in the North Texas Region.

March 2022-February 2023

Real Estate Appraiser Trainee with Aloft Appraisal

- Residential Real Estate Appraisals – area of expertise in the North Texas Region.

April 2021-February2022

Real Estate Appraiser Trainee with ASI, Inc.

- Residential Real Estate Appraisals – area of expertise in the North Texas Region.

January 2009 – August 2021

Licensed Real Estate Agent with Elite Real Estate

- Real Estate Agent with a focus on lead generation, appointment setting, and follow-up. Concentrating on client's needs and providing solutions to assist in closing transactions. Proficient at negotiating deals, listing properties, and finding buyers.
- Develop Broker Price Opinions for lenders in real estate transactions.



TALCB

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Licensed Residential Real Estate Appraiser

Appraiser: **Brooke Marie Clock**

License #: **TX 1350743 L**

License Expires: **03/31/2025**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Licensed Residential Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner

BRANDON L. LAWSON – APPRAISER TRAINEE

EDUCATION:
Bachelor of Arts - Communication, 2021 - University of Arkansas (3.97 GPA)
Master of Arts - Communication, 2023 - University of Arkansas (4.0 GPA)
Graduate *Arlington Martin High School*, Arlington, Texas, 2017

TECHNICAL TRAINING:
- Basical Appraisal Principles (QE) – 30 Hours
- Basic Appraisal Procedures (QE) – 30 Hours
- 2020-2021 15 Hour National USPAP Course (QE) – 15 Hours
- Supervisor-Trainee Course for Texas – 4 Hours
- Principals of Real Estate I & II (QE) – 60 Hours
- Law of Agency (QE) – 30 hours
- Law of Contracts (QE) – 30 hours
- Principals of Real Estate I and II (QE) – 60 hours
- Promulgated Contracts Forms (QE) – 30 hours
- Real Estate Finance (QE) – 30 hours
- Practicing Affiliate, Appraisal Institute – since 2023

PROFESIONAL AFFILIATIONS:
Texas Appraiser Licensing and Certification Board – Appraisal Trainee No. TX-1343865

APPRAISER EXPERIENCE
July 2023-Present
Appraiser Trainee with *Peyco Southwest Realty Inc.*, Arlington, TX
- Commercial Appraisals – throughout that state of Texas



TALCB

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Appraiser Trainee

Trainee: **Brandon L Lawson**

Authorization #: **TX 1343865 Trainee** Expires: **11/30/2025**

Review the list of the above Trainee's Supervisors on the License Holder Search at www.talcb.texas.gov.

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Appraiser Trainee

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner

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