

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED FEBRUARY 26, 2025

NEW ISSUE

NOT RATED

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

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



\$10,123,000*

CITY OF HUTTO, TEXAS

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)

Dated Date: Closing Date (defined herein)

Interest to Accrue from Closing Date

Due: September 1, as shown on the inside cover

The City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2025 (Prairie Winds Public Improvement District Improvement Area #1) (the “Bonds”), are being issued by the City of Hutto, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing September 1, 2025*, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry-only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by Wilmington Trust, National Association, as trustee (the “Trustee”) or its authorized successor, to Cede & Co. as the registered owner thereof. See “BOOK-ENTRY-ONLY SYSTEM.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the “City Council”) on March 6, 2025, and an Indenture of Trust, dated as of March 1, 2025 (the “Indenture”), expected to be entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used for the purpose of paying a portion of (1) the Actual Costs of the Improvement Area #1 Improvements, (2) Improvement Area #1’s allocable share of the Major Improvements, and (3) the Bond Issuance Costs of the Bonds, including capitalized interest and funding a reserve fund for the payment of principal of and interest on the Bonds. See “PLAN OF FINANCE — Development Plan,” “THE IMPROVEMENT AREA #1 PROJECTS” and “APPENDIX B — Form of Indenture.”

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

The Bonds involve a significant degree of risk and are not suitable for all investors. See “BONDHOLDERS’ RISKS” and “SUITABILITY FOR INVESTMENT.” 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 THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS SIMILARLY SECURED.”

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter (identified below), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by its general counsel, Bojorquez Law Firm, for the Underwriter by its counsel, Norton Rose Fulbright US LLP and for the Developers (as defined herein) by their counsel, Metcalfe Wolff Stuart & Williams, LLP. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about March 27, 2025 (the “Closing Date”).

FMSbonds, Inc.

* Preliminary; subject to change.

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

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

CUSIP Prefix: _____^(a)

\$10,123,000*

CITY OF HUTTO, TEXAS,

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)

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

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

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

* Preliminary; subject to change.

CITY OF HUTTO, TEXAS

CITY COUNCIL

<u>Name</u>	<u>Place</u>	<u>Term Expires (May)</u>
Mike Snyder	Mayor	2025
Brian Thompson	Councilmember, Place 1	2026
Dan Thornton	Councilmember, Place 2	2027
Randal Clark	Councilmember, Place 3	2025
Peter Gordon	Councilmember, Place 4, Mayor Pro Tem	2026
Evan Porterfield	Councilmember, Place 5	2027
Amberley Kolar	Councilmember, Place 6	2025

**CEO/CITY
MANAGER**
James Earp

**ASSISTANT CITY
MANAGER**
Matt Wojnowski

**CITY
SECRETARY**
Laura Hallmark

FINANCE DIRECTOR
Alberta Barrett

PID ADMINISTRATOR
P3Works, LLC

FINANCIAL ADVISOR TO THE CITY
Hilltop Securities Inc.

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

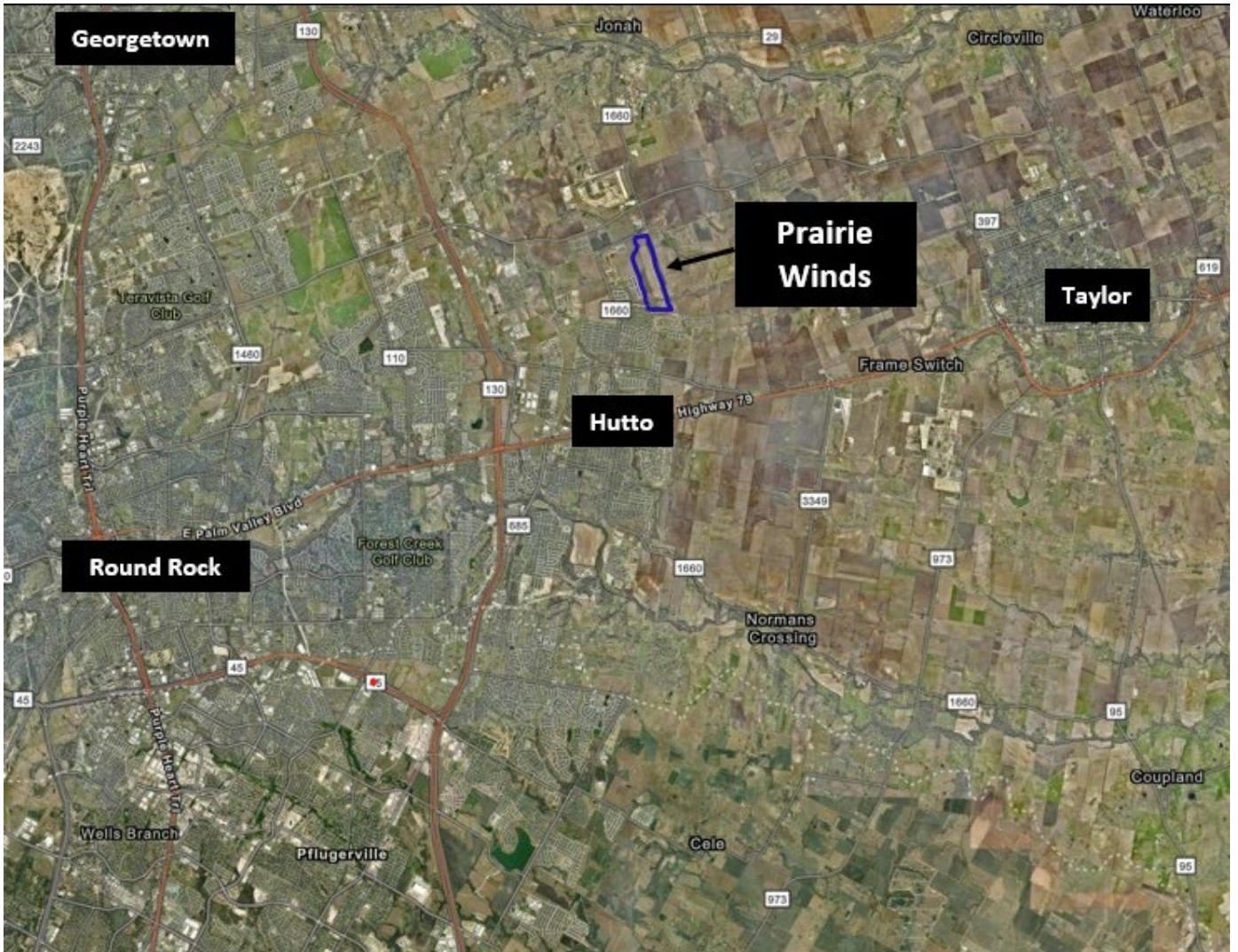
For additional information regarding the City, please contact:

James Earp
City Manager
City of Hutto
500 West Live Oak Street
Hutto, TX 78634
Phone: (512) 759-4835
james.earp@huttotx.gov

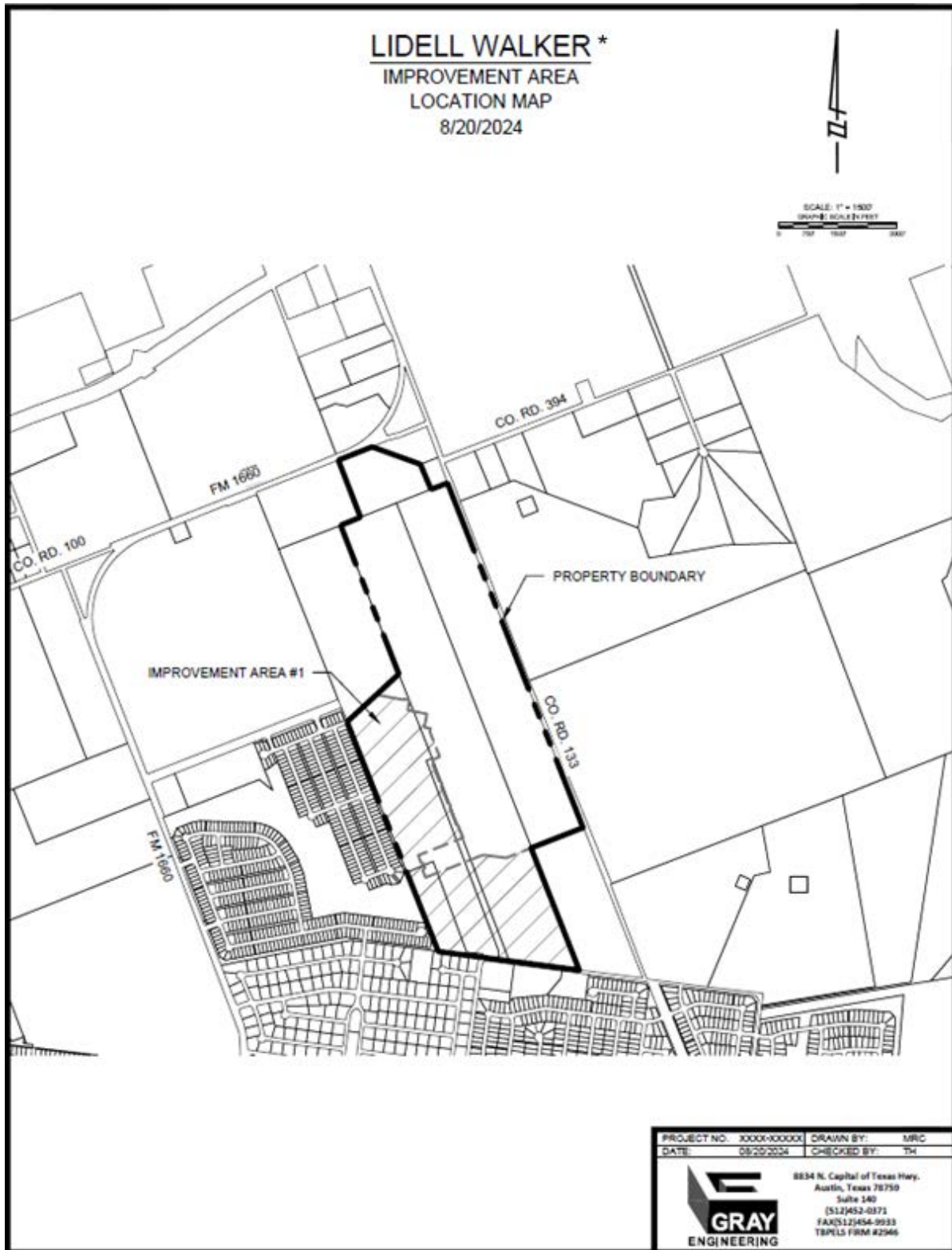
Jim S. Sabonis
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Andre Ayala
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AREA LOCATION OF THE DISTRICT



DISTRICT BOUNDARY MAP



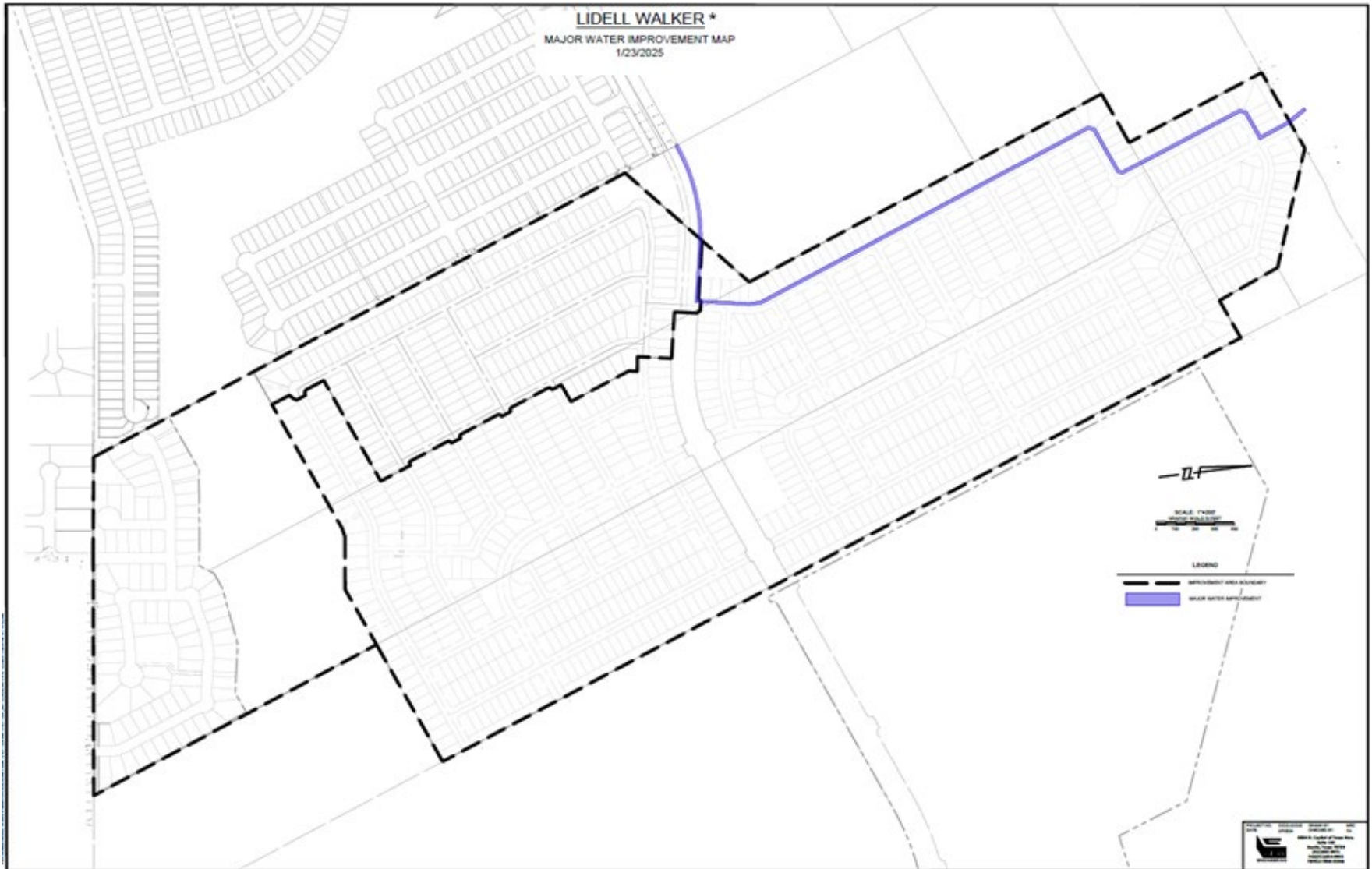
* The District was originally created as the Lidell Walker Public Improvement District, however its name was subsequently changed to Prairie Winds Public Improvement District.

MAP OF THE DISTRICT INCLUDING IMPROVEMENT AREA #1



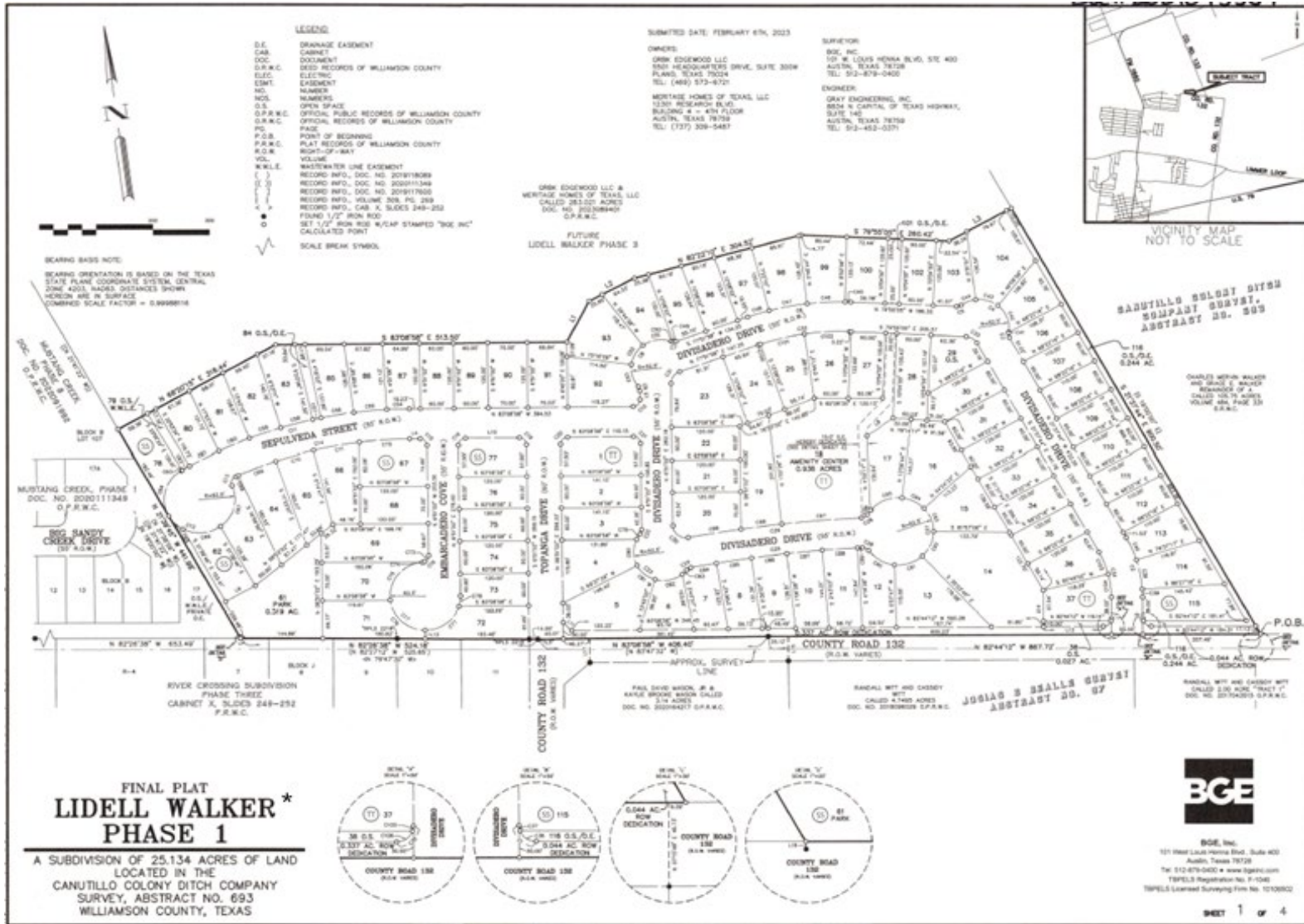
* The District was originally created as the Lidell Walker Public Improvement District, however its name was subsequently changed to Prairie Winds Public Improvement District.

MAP OF MAJOR IMPROVEMENTS



* The District was originally created as the Lidell Walker Public Improvement District, however its name was subsequently changed to Prairie Winds Public Improvement District.

MAP SHOWING PHASE 1 PLAT



* The District was originally created as the Lidell Walker Public Improvement District, however its name was subsequently changed to Prairie Winds Public Improvement District.

FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES AN "OFFICIAL STATEMENT" OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN "DEEMED FINAL" BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

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

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

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

NONE OF THE CITY, THE UNDERWRITER OR THE DEVELOPERS 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. CITY NEITHER PLANS TO ISSUE ANY UPDATES OR REVISIONS NOR PLANS TO REQUEST THAT THE DEVELOPERS PROVIDE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

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

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

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

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$10,123,000*

CITY OF HUTTO, TEXAS

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, the inside cover and the appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Hutto, Texas (the “City”), of its \$10,123,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Prairie Winds Public Improvement District Improvement Area #1) (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, 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 authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the “City Council”) on March 6, 2025 (the “Bond Ordinance”), and an Indenture of Trust, dated as of March 1, 2025 (the “Indenture”), expected to be entered into by and between the City and Wilmington Trust, National Association, as trustee (the “Trustee”). The Bonds will be secured by a pledge and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments expected to be levied pursuant to the PID Act (“Assessments”), being those special assessments (the “Improvement Area #1 Assessments”) levied pursuant to an ordinance expected to be adopted by the City Council on March 6, 2025 (the “Assessment Ordinance”) against assessed parcels (the “Improvement Area #1 Assessed Property”) located within Improvement Area #1 (as defined herein) of the Prairie Winds Public Improvement District, formerly known as Lidell Walker Public Improvement District (the “District”), all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED” and “ASSESSMENT PROCEDURES.”

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

Set forth herein are brief descriptions of the City, the District, the Managing Developer (as defined herein), the Non-Managing Developer (as defined herein), the PID Administrator (as defined herein), the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Financing Agreement (as defined herein), and the Development Agreement (as defined herein), the JODA (defined herein) together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect

* Preliminary; subject to change.

thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, telephone number (214) 302-2246. The Form of Indenture appears in APPENDIX B and the Form of Service and Assessment Plan appears as APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Development Plan

The District consists of approximately 263.021 acres to make up a master-planned single-family residential community known as “Prairie Winds” (the “Development”). The Developers expect the District to include approximately 1,093 single-family homes including 45’, 50’ and 60’ lots, expected to be developed over seven phases over a period of approximately five years. Phases 1 and 2 of the Development (together, “Improvement Area #1” of the District) include approximately 65.636 acres and include approximately 280 single-family homes consisting of 140 45’ lots, 54 50’ lots and 86’ 60 lots. The remaining approximately 197.385 acres and 813 single-family lots are expected to be developed in three future improvement areas (collectively, the “Future Improvement Area”). The Development is also expected to include 28 acres of parkland and open space, and a private amenity center. The area shown as “Improvement Area #1” on the “MAP OF THE DISTRICT INCLUDING IMPROVEMENT AREA #1” on page iv is referred to herein as “Improvement Area #1.”

Effective as of June 28, 2023, GRBK Edgewood LLC, a Texas limited liability company (the “Managing Developer”), entered into an agreement of purchase and sale (the “Purchase and Sale Agreement”) with WMV North Hutto, LLC (the “Original Owner”) to purchase the approximately 263.021 acres of the property comprising the District (the “Property”). The Purchase and Sale Agreement was thereafter partially assigned to Meritage Homes of Texas, LLC, an Arizona limited liability company (the “Non-Managing Developer” and, together with the Managing Developer, the “Developers”). The Developers each acquired an undivided 50% ownership interest in the Property, and the purchase price of the Purchase and Sale Agreement was paid in cash. See “THE DEVELOPMENT — Overview.”

In connection with the Developers purchase of the Property, they entered into a Joint Ownership and Development Agreement (the “JODA”), pursuant to which the Developers agreed: (1) to close the Property in undivided fee simple ownership, with each putting up funds proportional to their respective 50% interest; (2) to jointly fund the development based on their respective ownership interests; and (3) upon completion of the lots in each development phase, to execute and exchange deeds and perform true-ups such that each Developer will pay the same amount proportionally based on their actual share of the lots that they received.

The JODA contemplates that each Developer will pay 50% of the costs to develop the District and receive the same proportion of lots, based upon lot size. The JODA also provides, among other things: (1) for the appointment of the Managing Developer, empowered to act on behalf of the Non-Managing Developer (subject to certain major decisions) to cause the development to be constructed; (2) a development plan, development schedule and development budget; (3) restrictions on the right of either Developer to dispose of their ownership interests/lots in the property, including granting the other Developer the right of first refusal with respect to the ownership interest/lots and the inclusion of a list of preapproved substitute landowners and homebuilders; (4) for the allocation of lots amongst the Developers in proportion to their ownership interests; and (5) events of default. See “THE DEVELOPERS — History and Financing of the District.”

The Developers expect to construct improvements consisting of (i) certain roadway improvements, water improvements, wastewater improvements and drainage improvements that will benefit only Improvement Area #1 of the District (the “Improvement Area #1 Improvements”) and (ii) certain water improvements, benefitting the entire District (the “Major Improvements”). The Improvement Area #1 Improvements and Improvement Area #1’s allocable share of the Major Improvements are collectively referred to herein as the “Improvement Area #1 Projects.” The Improvement Area #1 Projects, Bond Issuance Costs (as defined herein), and Improvement Area #1’s allocable share of the Administrative Reserves (as defined herein) make up the “Improvement Area #1 Authorized Improvements.” The Improvement Area #1 Projects are described in “THE IMPROVEMENT AREA #1 PROJECTS” herein. See “THE DEVELOPMENT – Development Plan.” The layout of Improvement Area #1 is shown on “MAP OF THE DISTRICT INCLUDING IMPROVEMENT AREA #1” on page iv, the Major Improvements are shown on “MAP

OF MAJOR IMPROVEMENTS” on page v, and the concept plan for the District is shown in the “MAP SHOWING PHASE 1 PLAT” on page vi. See “THE DEVELOPMENT – Development Plan.”

Status of Development

The Developers began construction of the Improvement Area #1 Projects in March 2024 and expect to complete construction of all of the Improvement Area #1 Projects in March 2025.

The City will finance and/or pay the Developers for a portion of the actual costs, paid or incurred by or on behalf of the Developers, of the Improvement Area #1 Authorized Improvements through the issuance of the Bonds. The cost of the Improvement Area #1 Authorized Improvements is expected to be approximately \$17,391,599*. A portion of such costs in the amount of \$10,123,000* is expected to be paid with proceeds of the Bonds. The balance of the costs of the Improvement Area #1 Authorized Improvements, in the total approximate amount of \$7,268,599*, will be funded by the Developers and will not be reimbursed by the City. As of December, 2024, the Developers have spent approximately \$12,219,725 on constructing the Improvement Area #1 Projects. The City and the Managing Developer entered into the Prairie Winds Public Improvement District Financing Agreement, with the Non-Managing Developer consenting thereto, dated October 21, 2024 (the “Financing Agreement”), which provides, in part, for the deposit of the Improvement Area #1 Assessments and the proceeds from the issuance and sale of the Bonds, and the payment of the actual costs of the Improvement Area #1 Projects. See “THE IMPROVEMENT AREA #1 PROJECTS,” “APPENDIX C — Form of Service and Assessment Plan” and “APPENDIX G — Financing Agreement.”

Additional Improvements and Amenities. In addition to the Improvement Area #1 Projects, the Developers will construct (i) certain electric improvements, gas improvements, telecom improvements, and street lighting (the “Additional Improvements”) to serve the District; and (ii) certain public and private amenities to serve the District, including (a) parks and open space (the “Public Amenities”), and (b) an amenity center which may be limited to community residents (the “Private Amenities,” and, together with the Public Amenities, the “Amenities”). The Developers commenced construction of the Additional Improvements, at a total estimated cost of \$633,780, in February 2025. The Developers anticipate commencing construction of the Public Amenities, at a total estimated cost of \$1,923,800, in March 2025. The Developers currently expect to complete construction of the Additional Improvements and the Public Amenities in July 2025. The Private Amenities will be constructed in a future phase of the Development and is estimated to cost \$3,000,000. The Public Amenities will be dedicated to and maintained by the Homeowners’ Association (defined herein); provided, however, that the Developers must dedicate the Public Amenities to the City upon request pursuant to the Financing Agreement. The Private Amenities will be dedicated to and maintained by the Homeowners’ Association. See “THE DEVELOPMENT — Additional Improvements and Amenities.”

The costs of the Additional Improvements and the Amenities have been or will be financed through Developers’ corporate cash funding and will not be reimbursed by the City. See “THE DEVELOPMENT — Development Plan, “— Development Agreement” and “— Additional Improvements and Amenities” and “THE DEVELOPERS — History and Financing of the District.”

Developers as Homebuilders

The Developers expect to construct all of the approximately 1,093 single-family homes planned within the District, and do not currently anticipate contracting with merchant homebuilders for sale of any of the lots. The Developers expect that the Managing Developer and the Non-Managing Developer will each construct approximately 50% of the single-family homes expected within the District. See “THE DEVELOPMENT — Development Plan – Single-Family Lot Development.”

The Bonds

Proceeds of the Bonds will be used for the purpose of paying a portion of (1) the Actual Costs of the Improvement Area #1 Improvements, (2) Improvement Area #1's allocable share of the Major Improvements, and (3) the Bond Issuance Costs of the Bonds, including capitalized interest and funding a reserve fund for the payment of

* Preliminary; subject to change.

principal of and interest on the Bonds. See “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREA #1 PROJECTS” and “APPENDIX B — Form of Indenture.”

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

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

Future Bond Financings and Refunding Bonds

As provided for in the Service and Assessment Plan, the financing plan for the District contemplates that as the Future Improvement Area is developed, additional assessments in the Future Improvement Area may be levied by the City, and bonds may be issued to fund the cost of public improvements allocable to the Future Improvement Area (the “Future Bonds”).

Additionally, in the Indenture, the City has reserved the right to issue bonds to refund all or a portion of the Bonds (the “Refunding Bonds”) on parity with the Bonds.

The Bonds, the Refunding Bonds, if any, and the Future Bonds, if any, are separate and distinct issues of securities. The Future Bonds, if any, will be secured by separate assessments. Any Refunding Bonds or Future Bonds are not offered pursuant to this Limited Offering Memorandum. Investors interested in purchasing any other City obligations should refer to the offering documents related thereto, when and if available.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

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

- 1) The Investor has authority and is duly authorized to purchase the Bonds and to execute any instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.
- 2) The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.
- 3) The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the Investor may sell the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.
- 4) The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5) The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Area #1 Projects, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City or its respective councilmembers, officers, employees, or consultants 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 to 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 of and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

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

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

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth on the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter (the “Closing Date”) and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing September 1, 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 \$25,000 of principal and any integral multiple of \$1,000 in excess thereof (“Authorized Denominations”). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY-ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the City, at the redemption price of 100% of the principal amount of the Bonds to be redeemed, plus the applicable premium, plus accrued and unpaid interest to the date of redemption (the “Redemption Price”).

* Preliminary, subject to change.

Extraordinary Optional Redemption. The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price, from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments. If less than all Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

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

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

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

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

The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the mandatory sinking fund redemption described above shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

Notice of Redemption. Upon notification of the City to the Trustee of the exercise of any redemption provision under the Indenture, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in 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, and subject to the Indenture, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the redemption price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

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

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

Partial Redemption. If less than all of the Bonds are to be redeemed pursuant to the option, extraordinary option, or mandatory sinking fund redemption provisions, Bonds shall be redeemed in increments of \$1,000 by lot, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond except as provided in the following sentence. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at the time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

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

BOOK-ENTRY-ONLY SYSTEM

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales

and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are collectively referred to herein as "Participants." DTC has an S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

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

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

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

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

SECURITY FOR THE BONDS SIMILARLY SECURED

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds Similarly Secured. "Bonds Similarly Secured" means, collectively, any Outstanding Bonds and Refunding 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 SIMILARLY SECURED ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED 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 SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE "APPENDIX B — Form of Indenture."

The principal of, premium, if any, and interest on the Bonds Similarly Secured are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Improvement Area #1

Assessments expected to be levied against the Improvement Area #1 Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the preparation of a service and assessment plan (as updated, amended and supplemented from time to time, the “Service and Assessment Plan”), which describes the special benefit received by the Improvement Area #1 Assessed Property, provides the basis and justification for the determination of special benefit on the Improvement Area #1 Assessed Property, establishes the methodology for the levy of the Improvement Area #1 Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds Similarly Secured. The Service and Assessment Plan is reviewed and updated at least annually (each, an “Annual Service Plan Update”) for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Improvement Area #1 Assessments due in a given year. The determination by the 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 — Form of 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 Projects by levying Improvement Area #1 Assessments upon the Improvement Area #1 Assessed Property. For a description of the assessment methodology and the amounts of Improvement Area #1 Assessments anticipated to be levied in Improvement Area #1, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Pursuant to the Indenture, 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 additional 0.50% interest charged on the Improvement Area #1 Assessments as authorized by Section 372.018 of the PID Act.

“Annual Installment” means, with respect to the Improvement Area #1 Assessed Property, each annual payment of: (i) the principal of and interest on the Improvement Area #1 Assessments as shown on the Improvement Area #1 Assessment Roll (as defined herein) attached to the Service and Assessment Plan, as the same may be updated from time to time, or in an Annual Service Plan Update, and as shown in Exhibit F to the Service and Assessment Plan, and calculated as provided in the Service and Assessment Plan, (ii) Annual Collection Costs, and (iii) the Additional Interest.

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

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

“Pledged Revenues” means, collectively, the (i) Assessment Revenues (excluding the portion of the Improvement Area #1 Assessments and Annual Installments collected for the payment of Annual Collection Costs (as defined herein) and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds or other Bonds Similarly Secured.

See “SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenue Fund” and “APPENDIX C — Form of Service and Assessment Plan.”

Collection and Deposit of Improvement Area #1 Assessments

The Improvement Area #1 Assessments on each parcel, tract, or lot which are to be collected in each year during the term of the Bonds Similarly Secured are shown on the Improvement Area #1 Assessment Roll. The Improvement Area #1 Assessments (excluding the portion of the Annual Installments of the Improvement Area #1 Assessments collected for Annual Collection Costs and Delinquent Collection Costs), together with the interest

thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of and interest on the Bonds Similarly Secured, as and to the extent provided in the Service and Assessment Plan and the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenue Fund.”

The Improvement Area #1 Assessments assessed to pay debt service on the Bonds Similarly Secured together with interest thereon, are payable annually in installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds Similarly Secured (excluding the portion of the Assessments levied for Annual Collection Costs and the Additional Interest). An Annual Installment of an Improvement Area #1 Assessment has been made payable in the Assessment Ordinance in each City fiscal year preceding the date of final maturity of the Bonds Similarly Secured which, if collected, will be sufficient to pay debt service requirements attributable to the Improvement Area #1 Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

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

Unconditional Levy of Improvement Area #1 Assessments

The City will impose Improvement Area #1 Assessments on the property within Improvement Area #1 to pay the principal of and interest on the Bonds Similarly Secured scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each fiscal year. The Improvement Area #1 Assessments are effective from the date, and strictly in accordance with the terms, of the Assessment Ordinance. Each Improvement Area #1 Assessment may be paid immediately in full or in periodic annual installments over a period of time equal to the term of the Bonds Similarly Secured, which installments shall include interest on the Improvement Area #1 Assessments. Pursuant to the Assessment Ordinance, interest on the Improvement Area #1 Assessments for each lot within Improvement Area #1 began to accrue on the date specified in the Service and Assessment Plan and, prior to issuance of the Bonds Similarly Secured, is calculated at a rate specified in the Assessment Ordinance. After issuance of the Bonds Similarly Secured, Additional Interest on the Improvement Area #1 Assessments for each lot within Improvement Area #1 will accrue at the Additional Interest Rate. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated annually and shall be due when billed on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

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

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

The PID Act provides that the Improvement Area #1 Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the Improvement Area #1 Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Improvement Area #1 Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “ASSESSMENT PROCEDURES” herein. The Assessment Lien is superior to any homestead rights of a property owner that are properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead

Rights”) for as long as such rights are maintained on the property. See “BONDHOLDERS’ RISKS — Assessment Limitations.”

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

Perfected Security Interest

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

Pledged Revenue Fund

The City will create under the Indenture a Pledged Revenue Fund to be held by the Trustee. Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues, as set forth in the Service and Assessment Plan. Specifically, the Trustee shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due, (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 pay other Actual Costs of the Improvement Area #1 Improvements, and (iv) fourth to pay other costs permitted by the PID Act. Notwithstanding the foregoing, the Additional Interest of the Annual Installments shall only be utilized for the purposes set forth below, on each March 1, beginning March 1, 2026, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments confirmed by the City pursuant to a City Certificate, will be deposited into the Delinquency & Prepayment Reserve Account and/or the Redemption Fund, as applicable.

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

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

Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Reserve Fund to restore any transfers from the Reserve Fund made to which the Foreclosure Proceeds relate, second, to replenish the Delinquency & Prepayment Reserve Requirement, and third, to the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal of and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Improvement Area #1 Assessments may be used under the PID Act.

The Trustee may rely upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Bond Fund

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

If amounts in the Principal and Interest Account are insufficient to pay the amounts due on the Bonds on an Interest Payment Date, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency pursuant to the Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account of the Bond Fund and transferred to the Paying Agent/Registrar.

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

<u>Date</u>	<u>Amount</u>
September 1, 2025	\$ _____

Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Improvement Account of the Project Fund, or if the Improvement Account of the Project Fund has been closed, then such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

If, after the foregoing transfers and any transfer from the Reserve Fund (as described under the subcaptions “Reserve Account of the Reserve Fund” and “Delinquency and Prepayment Account of the Reserve Fund” below), there are insufficient funds to make the payments to the Principal and Interest Account of the Bond Fund described above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

Project Fund

Money on deposit in the Project Fund shall be used for the purposes specified in the Indenture. Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates.

Disbursements from all other Accounts of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. Each such City Certificate shall include a list of the payees and the payments (not to exceed) to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions though given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein. For the form of Certificate for Payment see Exhibit E-2 to “APPENDIX G —Financing Agreement.”

Except as provided in the following two paragraphs, money on deposit in the Improvement Account of the Project Fund shall be used solely to pay Actual Costs provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Account of the Project Fund in reliance upon a Certification for Payment approved by the City.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1 Projects such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the

Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall, after providing the Managing Developer with thirty (30) days' notice of such determination, file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed. In making any determination pursuant to this paragraph, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

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

Upon the Trustee's receipt of a written 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 first to another Account or Subaccount in the Project Fund and used to pay Actual Costs of the Improvement Area #1 Projects then second to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds Similarly Secured, and initially funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds Similarly Secured is 100% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance; provided, however, that such amount shall be reduced as a result of (1) an optional redemption or (2) an extraordinary optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the Closing Date, the Reserve Account Requirement is \$ _____.

In the event of an extraordinary optional redemption of Bonds Similarly Secured from the proceeds of a Prepayment, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds Similarly Secured to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency & Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first from the Delinquency & Prepayment Reserve Account of the Reserve Fund, and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency. If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account

Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with the Indenture, unless prior to the next Interest Payment Date, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due to the Rebate Fund, in accordance with the Indenture, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Project Fund to pay Actual Costs of the Improvement Area #1 Projects if such application and the expenditure of funds is expected to occur within three years of the date hereof.

Delinquency & Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Delinquency & Prepayment Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds. The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, commencing March 1, 2026, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. The “Delinquency & Prepayment Reserve Requirement” means an amount equal to 4.25% of the principal amount of the then Outstanding Bonds. Once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in the Indenture provided, however, that at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer. The Additional Interest shall continue to be collected and deposited pursuant to the Indenture until the Bonds are no longer Outstanding.

Upon an extraordinary optional redemption of Bonds Similarly Secured due to Prepayments, after transferring funds from the Reserve Account of the Reserve Fund to the Redemption Fund, if there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency & Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds Similarly Secured as provided in the Indenture.

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

Administrative Fund

The City will create under the Indenture an Administrative Fund held by the Trustee. Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Improvement Area #1 Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with the Indenture. See “APPENDIX C — Form of Service and Assessment Plan.”

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

Defeasance

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

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

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

Events of Default

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

- (i) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;
- (ii) The failure of the City to enforce the collection of the Improvement Area #1 Assessments, including the prosecution of foreclosure proceedings;
- (iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture other than a default under (i) above or (iv) below, and the continuation thereof for

a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding; and

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

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding hereunder and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that any action for money damages against the City shall be limited to recovery from the Trust Estate may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

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

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. The Trustee shall sell Trust Estate assets, according to the appraised value thereof, beginning with the asset of the highest value and continuing such sales in the order of next succeeding most valuable asset until satisfaction of debts pertaining to the outstanding Bonds Similarly Secured. 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 judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has actual knowledge thereof or has been notified in writing, or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the

execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

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

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

Application of Revenues and Other Moneys after Event of Default

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

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

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

Within thirty (30) days of receipt of such good and available funds, the Trustee may fix a record date and a payment date for any payment to be made to Owners of Bonds Similarly Secured pursuant to the Indenture.

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

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

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture, other than the Reserve Fund, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days.

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

Against Encumbrances

The City shall not create and shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds Similarly Secured, or any Refunding Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

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

Other Obligations or Other Liens; Refunding Bonds; Future Bonds

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

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

The City reserves the right to issue Future Bonds for any purpose permitted by the PID Act, pursuant to a separate indenture, for any Future Improvement Areas subject to the conditions of the Financing Agreement.

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

SOURCES AND USES OF FUNDS⁽¹⁾

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

Sources of Funds:	
Principal Amount	\$
Total Sources	\$
Use of Funds:	
Deposit to Improvement Account of Project Fund	\$
Deposit to Cost of Issuance Account of Project Fund	
Deposit to Capitalized Interest Account of the Bond Fund	
Deposit to Reserve Account of Reserve Fund	
Deposit to the Administrative Fund	
Underwriter's Discount ⁽²⁾	
Total Uses	\$

⁽¹⁾ To be updated and completed upon pricing.

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

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DEBT SERVICE REQUIREMENTS⁽¹⁾

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

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u> \$	<u>Interest</u> \$	<u>Total</u> \$
2025 ⁽²⁾			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
2056			
2057			
2058			
2059			
2060			
Total	\$	\$	\$

⁽¹⁾ To be updated and completed upon pricing.

⁽²⁾ Interest due in 2025 will be paid from amounts on deposit in the Capitalized Interest Account.

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OVERLAPPING TAXES AND DEBT

The land within the District lies within the corporate limits of the City. The land within Improvement Area #1 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Improvement Area #1 Assessments. In addition to the taxes and the Improvement Area #1 Assessments described above, the Developers anticipate that each owner of a single-family lot within the District will pay an annual maintenance and operation fee and/or a property owners’ association fee to the homeowners’ association (the “Homeowners’ Association”) formed by the Developers.

The District is located within the City, Williamson County (the “County”) (including the Williamson County FM/RD Road Fund), the Hutto Independent School District (“Hutto ISD”), East Williamson County Higher Education Center (“EWCHEC”), Williamson County Emergency Services District #3 (“Williamson County ESD #3”), and the Lower Brushy Creek Water Control and Improvement District (“Lower Brushy Creek WCID”), all of which may levy ad valorem taxes upon land within the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in the District.

<u>Taxing Entity</u>	<u>Tax Year 2024 Ad Valorem Tax Rate⁽¹⁾</u>
City of Hutto	\$0.3996
Hutto ISD	1.2052
EWCHEC	0.0391
Williamson County (including FM/RD Road Fund)	0.4000
Williamson County ESD #3	0.1000
Lower Brushy Creek WCID	<u>0.0165</u>
Total Current Tax Rate	<u>\$2.1604</u>
 Estimated Average Annual Installment in Improvement Area #1 of the District as an Equivalent Tax Rate	 <u>\$0.6906⁽²⁾</u>
 Estimated Total Tax Rate and Average Annual Installment in Improvement Area #1 of the District as an Equivalent Tax Rate	 <u>\$2.8510⁽²⁾</u>

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

⁽²⁾ Derived from information in the Service and Assessment Plan. Assumes a weighted average home taxable value of \$402,857. Preliminary; subject to change.

Source: Williamson Central Appraisal District, the Appraisal (as defined herein) and the Service and Assessment Plan.

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

<u>Overlapping Debt</u>			
<u>Taxing or Assessing Entity</u>	<u>Total Outstanding Debt as of February 15, 2025</u>	<u>Estimated % Applicable⁽¹⁾</u>	<u>Direct and Estimated Overlapping Debt⁽¹⁾</u>
The City (Improvement Area #1 Assessments - The Bonds)	\$10,123,000*	100.00%	\$10,123,000*
The City (Ad Valorem)	564,410,000	0.46%	2,588,074
Williamson County (including FM/RD Road Fund)	1,167,630,000	0.02%	227,084
EWCHEC	-	0.25%	-
Hutto ISD	686,700,000	0.29%	2,011,233
Williamson County ESD #3	-	0.28%	-
Lower Brushy Creek WCID	-	0.42%	-
Total	<u>\$2,428,863,000</u>		<u>\$14,949,391</u>

⁽¹⁾ Based on \$25,540,000 appraised value for Improvement Area #1 as calculated in the Appraisal and on the Tax Year 2024 Taxable Assessed Valuation for the taxing entities as certified by the Williamson Central Appraisal District.

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

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

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

The property in Improvement Area #1 of the District is not subject to an agricultural valuation. There is an agricultural lease on a portion of the Future Improvement Area that the Managing Developer can terminate at any time upon 30 days' notice. Portions of the property in the Future Improvement Area of the District remain subject to an agricultural valuation. The Managing Developer expects to remove each subsequent phase of the Development from agricultural valuation as development progresses. The Managing Developer will pay all applicable rollback taxes in full prior to purchase of parcels or lots by homeowners.

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ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of Authorized Improvements through Assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District to be subject to Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared (the “Improvement Area #1 Assessment Roll”), which Improvement Area #1 Assessment Roll shows the land within Improvement Area #1 of the District to be assessed, the amount of the benefit to and the Improvement Area #1 Assessment against each Lot or Parcel of land and the number of Annual Installments in which the Improvement Area #1 Assessment is divided. The Improvement Area #1 Assessment Roll was filed with the 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 will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #1 Projects and funding the same with Improvement Area #1 Assessments. The City is expected to levy the Improvement Area #1 Assessments and adopt the Assessment Ordinance on March 6, 2025, after which the Improvement Area #1 Assessments will become legal, valid and binding liens upon the Improvement Area #1 Assessed Property.

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

Assessment Methodology

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

As further set forth in the Service and Assessment Plan, the benefits received by the property in Improvement Area #1 of the District for the Improvement Area #1 Projects are currently allocated among the Improvement Area #1 Assessed Property within Improvement Area #1 based on Estimated Buildout Value (as defined in the Service and Assessment Plan). Upon division or subdivision, the PID Administrator shall reallocate the Improvement Area #1 Assessment for each newly formed lot based on Estimated Buildout Value.

The City has determined that such method of allocation will result in the imposition of equal shares of the Improvement Area #1 Assessments on Parcels similarly situated within Improvement Area #1 of the District. The Improvement Area #1 Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the 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 Developers, all other current owners of property within the District and all future owners and developers within the District. See “APPENDIX C — Form of Service and Assessment Plan.”

The Service and Assessment Plan identifies three “Lot Types” in Improvement Area #1: (1) Lot Type 1 being a 45’ lot, (2) Lot Type 2 being a 50’ lot, and (3) Lot Type 3 being a 60’ lot. See “THE DEVELOPMENT – Development Plan.”

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

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

<u>Lot Type</u>	<u>Number of Lots⁽²⁾</u>	<u>Average Base Lot Value⁽³⁾</u>	<u>Estimated Base Home Price⁽⁴⁾</u>	<u>Total Estimated Buildout Value⁽⁴⁾</u>	<u>Maximum Assessment Per Unit⁽⁵⁾</u>	<u>Estimated Ratio of Base Lot Value to Assessment</u>	<u>Estimated Ratio of Home Price to Assessment</u>
45'	140	\$92,025	\$365,000	\$51,100,000	\$32,756.16	2.81:1	11.14:1
50'	54	102,250	410,000	22,140,000	36,794.59	2.78:1	11.14:1
60'	<u>86</u>	120,900	460,000	<u>39,560,000</u>	41,281.74	2.93:1	11.14:1
Total/Avg.	280			\$112,800,000			

⁽¹⁾ Preliminary; subject to change.

⁽²⁾ Derived from information in the Service and Assessment Plan.

⁽³⁾ Per the Appraisal.

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

⁽⁵⁾ Pursuant to the Service and Assessment Plan, the maximum Improvement Area #1 Assessment (the "Maximum Assessment") that can be levied on a Lot within Improvement Area #1 of the District is equal to an amount that will not exceed the amounts shown on Exhibit H to the Service and Assessment Plan. See "APPENDIX C — Form of Service and Assessment Plan."

Collection and Enforcement of Assessment Amounts

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

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

In the Indenture, the City will covenant, agree and warrant that, for so long as any Bonds are Outstanding, that it will take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #1 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Improvement Area #1 Assessments.

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

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Improvement Area #1 Assessment or the corresponding Improvement Area #1 Assessed Property.

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

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

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

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

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

Assessment Amounts

Assessment Amounts. The Maximum Assessment for each lot type has been established by the methodology described in the Service and Assessment Plan and are shown on Exhibit H to the Service and Assessment Plan. If a new Lot Type is created, the Maximum Assessment for the new Lot Type shall be calculated so that the average Annual Installment results in an equivalent tax rate of \$3.10, inclusive of all overlapping taxes for local taxing entities.

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

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

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

Estimated Allocation of Improvement Area #1 Assessments⁽¹⁾

<u>Lot Size</u>	<u>Number of Lots⁽²⁾</u>	<u>Estimated Base Home Price⁽³⁾</u>	<u>Maximum Assessment Per Unit⁽⁴⁾</u>	<u>Total Improvement Area #1 Assessment</u>	<u>Estimated Average Annual Installment per Unit⁽⁵⁾</u>	<u>Equivalent Tax Rate per \$100 Assessed Value</u>
45'	140	\$365,000	\$32,756.16	\$ 4,585,863	\$2,520.56	\$0.690564
50'	54	410,000	36,794.59	1,986,908	2,831.31	0.690564
60'	<u>86</u>	460,000	41,281.74	<u>3,550,229</u>	3,176.59	0.690564
Total/Avg.⁽⁶⁾	280			\$10,123,000		

⁽¹⁾ Preliminary; subject to change.

⁽²⁾ Derived from information in the Service and Assessment Plan.

⁽³⁾ Provided by Developers based on comparable home prices in the area.

⁽⁴⁾ Amounts shown are rounded. Pursuant to the Service and Assessment Plan, the Maximum Assessment that can be levied on a Lot within the District is equal to an amount that will not exceed the amounts shown on Exhibit H to the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan.”

⁽⁵⁾ Derived from information in the Service and Assessment Plan. Based on Annual Installments due from 2026 to 2060 due to the release of the accounts within the Reserve Fund reducing the Annual Installment due January 31, 2060. Preliminary; subject to change.

⁽⁶⁾ Total Improvement Area #1 Assessments may not add due to rounding.

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

Prepayment of Assessments

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

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

True-Up of Assessments if Maximum Assessment Exceeded at Plat. Prior to the City approving a final subdivision plat, the PID Administrator will certify that such plat will not cause the Assessment for any Lot within to exceed the Maximum Assessment. If the PID Administrator determines that the resulting Improvement Area #1 Assessment for any Lot will exceed the Maximum Assessment, then (1) the Improvement Area #1 Assessment applicable to each Lot shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City’s approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. See “ASSESSMENT PROCEDURES —Assessment Methodology” and “APPENDIX C — Form of Service and Assessment Plan.”

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

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

Notwithstanding the preceding paragraphs under this subsection, if the landowner notifies the City and the PID Administrator that the Taking prevents the Remaining Property from being developed as shown on a final plat, such landowner shall, upon receipt of the compensation for the Taken Property, be required to prepay the total amount of the Improvement Area #1 Assessment levied against both the Taken Property and Remaining Property. The landowner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Improvement Area #1 Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Improvement Area #1 Assessments shall not be reduced to an amount less than the outstanding Bonds Similarly Secured.

Reduction of Assessments

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

Priority of Lien

The Improvement Area #1 Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Improvement Area #1 Assessment is paid and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any Improvement Area #1 Assessed Property may pay the entire Improvement Area #1 Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time.

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Improvement Area #1 Assessments on homestead property (unless the lien associated with the Improvement Area #1 Assessment attached prior to the date the property became a homestead), the 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 Improvement Area #1 Assessment will be subject to the lien established for remaining unpaid installments of the Improvement Area #1 Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent installments of the Improvement Area #1 Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on 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 Improvement Area #1 Assessment on the corresponding Improvement Area #1 Assessed Property.

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

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

THE CITY

Background

The City of Hutto is located in eastern Williamson County between the cities of Round Rock and Taylor on US Highway 79. The City is approximately 25 miles northeast of Austin. The City continues to transform from a rural Texas farm town to one of Austin’s fastest growing suburbs. The impetus for the City’s growth has been quality, affordable housing and quality public schools coupled with the access to larger job markets. The City’s 2020 census population was 27,577. The City’s 2025 estimated population is approximately 50,832.

City Government

The City is a political subdivision and is a home rule municipality of the State, duly organized and existing under the laws of the State. The City was incorporated in 1911, and prior to 2004 operated as a general law city under the laws of the State. At an election held in February 2004, the voters of the City by a majority vote adopted a home rule charter. The City operates under a City Manager form of government. The governing body of the City currently consists of the Mayor and six members of the City Council. The City Manager is the chief administrative officer for the City.

The current members of the City Council and their respective expiration of terms of office and the principal administrators of the City are shown on page 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 includes approximately 263.021 acres and lies entirely within the corporate limits

of the City. The District was created by a resolution of the City adopted on July 6, 2023, in accordance with the PID Act (the “Creation Resolution”) for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Projects, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property. A map of the property within the District is included on page iv hereof.

Powers and Authority of the City

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

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Improvement Area #1 Projects. See “THE IMPROVEMENT AREA #1 PROJECTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain roadway, water, wastewater and storm drainage improvements within the District comprising the Improvement Area #1 Projects and to finance 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 the Pledged Revenues. See “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

THE IMPROVEMENT AREA #1 PROJECTS

General

The Improvement Area #1 Authorized Improvements consist of the (1) the Actual Costs of the Improvement Area #1 Improvements, (2) Improvement Area #1's allocable share of the Major Improvements, and (3) the Bond Issuance Costs of the Bonds, including capitalized interest and funding a reserve fund for the payment of principal of and interest on the Bonds. Any costs of the Improvement Area #1 Authorized Improvements not funded by the proceeds of the Bonds will be funded by the Developers without reimbursement by the City. See “APPENDIX C — Form of Service and Assessment Plan.”

Improvement Area #1 Projects

Improvement Area #1 Improvements

The Improvement Area #1 Improvements include the following Improvement Area #1 Improvements, all of which will be constructed according to City standards:

Roadway Improvements. Primary access to Phase 1 will be via County Road 132. Access to Phase 2 will be provided via Main Hippo Drive and Austin Bayou Drive in the existing Mustang Creek subdivision to the west. Local streets within these phases of the development shall utilize a 55-ft ROW with 30-ft of pavement measured from face of curb to face of curb. Collector streets within these phases of the development shall utilize a 60-ft ROW with 30-ft of pavement measured from face of curb to face of curb. Main Hippo Drive shall utilize a 120-ft ROW with a varying cross section as it transitions from a two-lane road at Mustang Creek to four-lanes divided by a median at the entrance along County Road 133 adjacent to the proposed Flora subdivision. Proposed streets have been designed to urban standards consisting of concrete curb and gutter and will be designed with a flexible pavement section consisting of prepared subgrade, crushed limestone base, and hot mix asphaltic concrete (HMAC) pavement surface. The proposed street network meets City of Hutto horizontal and vertical geometric design criteria. Five-foot sidewalks with ADA ramps will be constructed along all roads on both sides of the streets and will be constructed following standard specifications and details. Signage, valley gutters, excavation, embankment, clear and grub, and testing are also included within these improvements.

Water Improvements. Phase 1 water service will be provided via connections to an existing 12- inch Jonah SUD (as defined herein) water line at the County Road 132 and Bosque Drive intersection. Phase 2 water service will be provided by connection to an existing 30-inch Jonah SUD water line along FM 1660, 16-inch connection at Flora Boulevard, 12-inch connection at Main Hippo and 8-inch connection at Austin Bayou Drive. Water will be provided to the individual lots by proposed 8-inch, 12-inch, and 16-inch water lines located within the public ROW and are sized to meet Jonah SUD design requirements.

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

Drainage Improvements. Drainage improvements include trench excavation and embankment, trench safety, piping, manholes, junction boxes, inlets, headwalls, channels, testing, related earthwork, and erosion controls.

Soft Costs. Improvements include costs related to designing, constructing, installing, financing, land planning, engineering, soil testing, and surveying. Costs also include City fees, construction management, legal fees, consultant fees, contingency, inspection fees, district formation costs, and other PID costs incurred and paid to construct the above-described hard costs.

Contingency. Estimated to be 5% of hard costs.

Bond Issuance Costs and Administrative Reserves. The Improvement Area #1 Authorized Improvements also consist of (i) 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, City costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of the Bonds ("Bond Issuance Costs"), and (ii) the estimated Annual Collection Costs (as defined in the Service and Assessment Plan) associated with the first year of the District (the "Administrative Reserves").

Major Improvements

The Improvement Area #1 Projects will also include Improvement Area #1's allocable share of the Major Improvements, all of which will be constructed according to City standards:

Water Improvements. Improvements include trench excavation and embedment, trench safety, piping, service connections, and testing for all water lines located North of Main Hippo Drive. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the Future Improvement Area. The water improvements will be designed and constructed in accordance with Jonah SUD standards and specifications and will be owned and operated by Jonah SUD.

Soft Costs. Improvements include costs related to designing, constructing, installing, financing, land planning, engineering, soil testing, and surveying. Costs also include City fees, construction management, legal fees, consultant fees, contingency, inspection fees, district formation costs, and other District costs incurred and paid to construct the above-described hard costs.

Contingency. Estimated to be 5% of hard costs.

Costs of Improvement Area #1 Projects

The Managing Developer is responsible for the completion of the construction, acquisition or purchase of the Improvement Area #1 Projects, and the Managing Developer or its designee will act as construction manager. The City will reimburse the Managing Developer for the Actual Costs incurred by the Managing Developer for an Improvement Area #1 Project (or completed segment or phase) from proceeds of the Bonds upon approval of a Certificate for Payment pursuant to the Financing Agreement and the Indenture. The Managing Developer will be

paid for costs actually incurred in developing and constructing the Improvement Area #1 Projects within the District from the Improvement Account of the Project Fund no more than monthly pursuant to the Financing Agreement.

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

Expected Costs of Improvement Area #1 Authorized Improvements⁽¹⁾	
Authorized Improvements	Total Estimated Costs ⁽²⁾
Improvement Area #1 Improvements	
Roadway	\$4,955,563
Water	1,969,444
Wastewater	2,127,338
Drainage	4,734,497
Soft Costs (5%)	689,342
Contingency (5%)	<u>689,342</u>
<i>Subtotal⁽³⁾</i>	<i>\$15,165,526</i>
Major Improvements⁽⁴⁾	
Water	\$266,429
Soft Costs	13,321
Contingency	<u>13,321</u>
<i>Subtotal⁽³⁾</i>	<i>\$293,072</i>
Bond Issuance Costs⁽⁵⁾	
Debt Service Reserve Fund	\$686,704
Underwriter Discount ⁽⁶⁾	303,690
Capitalized Interest	253,328
Costs of Issuance	<u>649,278</u>
<i>Subtotal⁽³⁾</i>	<i>\$1,893,000</i>
Administrative Reserves⁽⁵⁾	
First Year Annual Collection Costs	<u>\$40,000</u>
<i>Subtotal⁽³⁾</i>	<i>\$40,000</i>
Total⁽³⁾	\$17,391,599

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

⁽²⁾ Per the Engineer's Report prepared by Gray Engineering, Inc. dated March 2024.

⁽³⁾ Totals may not add due to rounding.

⁽⁴⁾ Major Improvements are allocated between Improvement Area #1 and the Future Improvement Area on the basis of Estimated Buildout Value as shown on Exhibit K of the Service and Assessment plan attached hereto as "APPENDIX C."

⁽⁵⁾ If PID bonds are issued to finance Authorized Improvements allocable to the Future Improvement Area, Bond Issuance Costs and Administrative Reserves associated with those PID bonds will be determined at the time of such issuance.

⁽⁶⁾ Includes Underwriter's counsel's fee.

The cost of the Improvement Area #1 Authorized Improvements is expected to be approximately \$17,391,599*. A portion of such costs in the amount of \$10,123,000* is expected to be paid with proceeds of the Bonds. The balance of the costs of the Improvement Area #1 Authorized Improvements, in the total approximate amount of \$7,268,599*, will be funded by the Developers and will not be reimbursed by the City. As of December 2024, the Developers have spent approximately \$12,219,725 on constructing the Improvement Area #1 Projects. See "THE DEVELOPERS — History and Financing of the District" and "APPENDIX G — Financing Agreement."

The Appraisal (as defined below) estimates that the value of 280 developed lots within Improvement Area #1 of the District under certain conditions, including the completion of all the Improvement Area #1 Projects and Additional Improvements listed in the Service and Assessment Plan, is \$25,540,000. The Appraisal is attached hereto as APPENDIX H and should be read in its entirety in order to understand the meaning and basis of the information set forth therein. The Appraisal is addressed to the City and the Underwriter. The estimates of value presented in the Appraisal are no indication of the appraised property's actual market value. Investors should not assume that the

* Preliminary; subject to change.

disposition of the property within the District in the event of default would provide sufficient funds to pay the principal of Bonds outstanding at that time. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth in the Appraisal. See “APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #1” for further information regarding the Appraisal, including with respect to such assumptions, hypothetical conditions and qualifications.

Ownership and Maintenance of Improvement Area #1 Projects

Certain of the Improvement Area #1 Projects, including the roadway improvements, wastewater improvements, and drainage improvements, will be dedicated to and accepted by the City in accordance with the terms of the Financing Agreement and will constitute a portion of the City’s infrastructure improvements. The City will provide for the ongoing maintenance and repair of the herein-described Improvement Area #1 Projects constructed and conveyed, as outlined in the Service and Assessment Plan.

Certain of the Improvement Area #1 Projects, including the water improvements serving Improvement Area #1, as well as the water improvements that constitute Major Improvements, will be owned and maintained by Jonah SUD. The Developers have entered into a Non-Standard Service Agreement with Jonah SUD whereby the Developers have agreed to construct facilities which Jonah SUD will use to service up to 1,105 residential service connections and Jonah SUD has agreed to take the actions necessary to make service available to such residential connections.

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

THE DEVELOPMENT

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

Overview

The Development is an approximately 263.021-acre master-planned single family residential community known as Prairie Winds, located in the City’s corporate limits north of County Road 132, west of County Road 133 and south of FM 1660.

The Developers currently own all of the land in the Development, including all of the property within Improvement Area #1. The Developers do not expect to close any homes in Improvement Area #1 prior to the levy of the Improvement Area #1 Assessments. See “THE DEVELOPERS — History and Financing of the District.”

Development Plan

Public Improvements. The Managing Developer expects to complete the Development in seven phases comprising four expected Improvement Areas (including Improvement Area #1) over a period of approximately five years. The Managing Developer began construction of the Improvement Area #1 Projects in March 2024 and expects to complete construction of all Improvement Area #1 Projects in March 2025. See “THE IMPROVEMENT AREA #1 PROJECTS.”

Single-Family Lot Development. The Development is planned to include the following residential product types: 45’ lots, 50’ lots and 60’ lots. The Developers expect to construct all of the approximately 1,093 single-family homes planned within the District.

Expected Single-Family Lots within the Development⁽¹⁾

<u>Phase</u>	<u>45' Lots</u>	<u>50' Lots</u>	<u>60' Lots</u>	<u>Total Number of Lots</u>
Improvement Area #1- Phase 1	0	0	86	86
Improvement Area #1- Phase 2	<u>140</u>	<u>54</u>	<u>0</u>	<u>194</u>
Improvement Area #1 Total	140	54	86	280
Future Improvement Area	<u>498</u>	<u>282</u>	<u>33</u>	<u>813</u>
Total	638	336	119	1,093

⁽¹⁾ Information provided by the Developers.

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

Expected Buildout of Single-Family Lots within the Development⁽¹⁾

<u>Phase</u>	<u>Quantity of Lots</u>	<u>Expected Infrastructure Start Date</u>	<u>Expected Infrastructure Completion Date</u>	<u>Expected Final Home Sale Date</u>
Improvement Area #1 - Phase 1	86	March 2024	March 2025	First Quarter 2026
Improvement Area #1 - Phase 2	194	March 2024	March 2025	Third Quarter 2026
Future Improvement Area	813	April 2025	January 2028	Third Quarter 2029

⁽¹⁾ These projections regarding final buildout and final sale dates were provided by the Developers. Expected buildout and final sale date projections may vary.

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

<u>Lot Type</u>	<u>Lots</u>	<u>Base Lot Price</u>	<u>Estimated Buildout Value Per Lot</u>	<u>Total Estimated Buildout Value</u>
45'	140	\$92,025	\$365,000	\$51,100,000
50'	54	102,250	\$410,000	22,140,000
60'	<u>86</u>	120,900	\$460,000	<u>39,560,000</u>
Total	280			\$112,800,000

⁽¹⁾ Information provided by the Developers. See Exhibit K of the Service and Assessment plan attached hereto as "APPENDIX C."

Single-family Lot and Home Prices in Future Improvement Area⁽¹⁾

<u>Lot Type</u>	<u>Lots</u>	<u>Base Lot Price</u>	<u>Estimated Buildout Value Per Lot</u>	<u>Total Estimated Buildout Value</u>
45'	498	\$92,025	\$365,000	\$181,770,000
50'	282	102,250	\$410,000	115,620,000
60'	<u>33</u>	120,900	\$460,000	<u>15,180,000</u>
Total	813			\$312,570,000

⁽¹⁾ Information provided by the Developers. Exhibit K of the Service and Assessment plan attached hereto as "APPENDIX C."

Development Agreement

The City, and the Original Owner entered into a Development Agreement dated October 7, 2021, as amended by the First Amendment to Development Agreement, dated as of August 17, 2023 (collectively, the "Development

Agreement”). The Original Owner subsequently assigned an undivided 50% interest in its rights in the Development Agreement to the each of the Developers (together constituting 100% of the Original Owner’s interest) pursuant to a General Assignment and Bill of Sale dated October 26, 2023. Pursuant to the Development Agreement, the City agreed to provide approximately 1,150 living unit equivalents (“LUEs”) of wastewater service to the Development, and agreed that water utility service will be provided by Jonah Water Special Utility District (“Jonah SUD”).

If the City elects for the Developers to dedicate any of the open space to the City, the Developers agreed to enter into a license agreement to maintain open space and provide for assignment to the Homeowners’ Association. The Developers agreed to pay a fee-in-lieu of parkland dedication calculated at \$800 per single-family lot platted in the District. Additionally, upon the first issuance of bonds related to the District, and upon the City’s request, the Developers agreed to dedicate the open space and parkland to the City as public parkland.

The Developers also agreed to complete a preliminary design for a 24” sewer line along Mustang Creek approximately 1,625 linear feet in length (the “Future Wastewater Line”) and thereafter submit a preliminary cost estimate to the City for review. The City shall determine a reasonable estimate of the costs, including design costs, to construct the Future Wastewater Line, which shall not exceed \$1,000,000 (the “Future Wastewater Line Cost”). The Developers have agreed to deposit with the City, within 30 days after the City issues its second series of bonds related to the District, a sum totaling such Future Wastewater Line Cost. The Developers have agreed to grant an easement of up to 30 feet in width on the portion of the District on which the Future Wastewater Line shall be constructed.

The Developers also agreed (i) to cause the installation of fiber-optic conduit within each applicable parcel within the District such that a system of fiber-optic lines may be installed when available and practicable to serve the District with high-speed internet, and (ii) to install a system of natural gas lines to serve the District if natural gas lines are available within the vicinity of the District and installation will result in zero additional off-site costs to the Developers. See “APPENDIX F –Development Agreement.”

Financing Agreement

Pursuant to the Financing Agreement, the Managing Developer agreed to construct the Authorized Improvements for the District as well as other “HOA-Maintained Improvements” and “Non-PID Financed Improvements”, which are described in this Limited Offering Memorandum as Amenities and Additional Improvements, respectively. The City agreed to reimburse the Managing Developer for a portion of the costs of the Authorized Improvements from assessment revenues or bonds secured by assessment revenues. The total amount of bonds issued to finance the Authorized Improvements providing a special benefit to the District shall not exceed \$60,000,000, and the equivalent tax rate of any annual installments of assessments plus all ad valorem taxes levied by other overlapping taxing jurisdictions shall not exceed \$3.10 per \$100 taxable assessed valuation. The Financing Agreement also provides that if the lien to value ratio is less than 2:1 for any series of bonds for the District, including the Bonds, the amount of funds below the 2:1 value-to-lien ratio shall be restricted from access to the Managing Developer until such time as the 2:1 value-to-lien ratio is achieved or a City-determined benchmark for completion is achieved.

Pursuant to the Financing Agreement, the Managing Developer must pay a “Community Benefit Fee” equal to \$3,500 per each single-family residential lot in the District to the City immediately prior to the City’s issuance of the first certificate of occupancy for an improvement area of the District. The Improvement Area #1 Community Benefit Fee is anticipated to be \$980,000 for the 280 single-family lots expected to be constructed within Improvement Area #1. Each Community Benefit Fee for a given Improvement Area is a one-time fee that will not be increased or decreased as a result of any change to the number of single-family residential lots in an Improvement Area. See “APPENDIX G –Financing Agreement.”

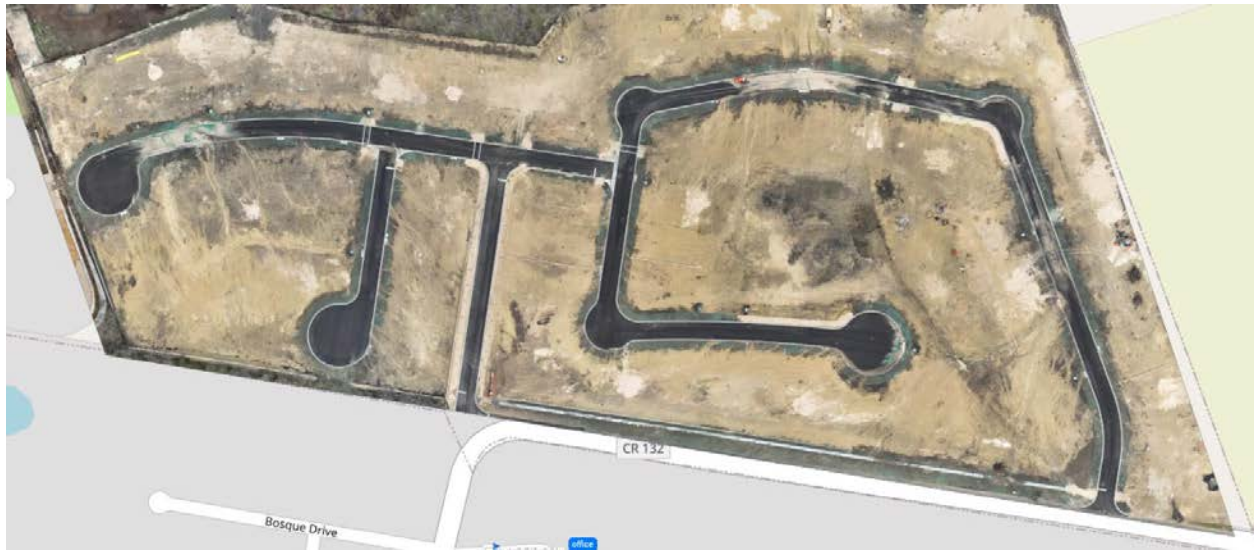
Additional Improvements and Amenities

Additional Improvements. In addition to the Improvement Area #1 Projects, the Developers will construct the Additional Improvements consisting of certain electric improvements, gas improvements, telecom improvements, and street lighting to serve the District. The Developers commenced construction of the Additional Improvements in February 2025 and currently expect to complete construction in July 2025. The Additional Improvements are estimated to cost a total of \$633,780, which amount will be funded by the Developers’ corporate cash funding without reimbursement from the City. Following their completion, the Additional Improvements will be owned and operated by the City.

Amenities. The Developers will construct the Amenities to serve the entire District, including the Public Amenities consisting of parks and open space. Construction of the Public Amenities is anticipated to commence in March 2025 and anticipated to be completed in July 2025 at a total estimated cost of \$1,923,800. The Public Amenities will be dedicated to and maintained by the Homeowners' Association; provided, however, that the Developers must dedicate the Public Amenities to the City upon request pursuant to the Financing Agreement. Approximately 28 acres in the District will be devoted to parks and open spaces. The Developers will also construct the Private Amenities consisting of an amenity center, which may be limited to community residents. The Private Amenities will be constructed in a future phase of the Development and is estimated to cost approximately \$3,000,000. The Private Amenities will be dedicated to and maintained by the Homeowners' Association.

Photographs of the Development

The following photographs show the current development within Improvement Area #1.



Zoning/Permitting

The development of property within the District is governed by the City's uniform development code pursuant to City Ordinance O-2021-060 approved on September 16, 2021, and all applicable City ordinances and regulations. For purposes of administering the applicable regulations that pertain to zoning, the District shall meet the standards of Single Family: SF-1.

Education

The Development is served by the Hutto ISD. Hutto ISD operates seven elementary schools, two middle schools and one high school. Hutto Elementary School, which is approximately 2.7 miles from the District, Hutto Middle School, which is approximately 3.0 miles from the District, Hutto Ninth Grade Center, which is approximately 0.7 miles from the District, and Hutto High School, which is approximately 4.3 miles from the District, are expected to serve the District. While Hutto Elementary School currently would serve the District, it is anticipated that the District will be zoned to Lee Martinez Elementary School, which is currently under construction located adjacent to the District on Main Hippo Drive and anticipated to open in fall of 2025, when opened.

GreatSchools.org rated Hutto Elementary School as "7/10," rated Hutto Middle School and Hutto High School as "6/10," and rated Hutto Ninth Grade Center as "5/10." The Texas Education Agency annual school report cards were issued for the 2021 – 2022 school year – Hutto Middle School and Hutto High School received a "B," and Hutto Elementary School and Hutto Ninth Grade Center received a "C." The Texas Education Agency annual school report cards were not issued for schools or school districts for the 2023-2024 school year.

Environmental

Site Evaluation. A Phase One Environmental Site Assessment of a the District, including 65.636 acres within Improvement Area #1, (the "Phase One ESA") was completed on August 22, 2023. Based on the information presented in the Phase One ESA, the property was found to have a low probability for environmental risk related to significant levels of hazardous substances or petroleum products, and further assessment was not warranted. However, the Phase One ESA included certain recommendations relating to items that are not recognized environmental conditions, which the Developers have completed.

Endangered Species. According to the website for the United States Fish and Wildlife Service, both the Whooping Crane and the Golden-cheeked Warbler are endangered species in Williamson County, as are four species of insects and four species of arachnids. The Developers are not aware of any endangered species located on District property.

Mineral Rights

No mineral rights reservations were retained by prior owners of real property within the District (the "Mineral Owners").

Although the Developers do 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 the District to pay Improvement Area #1 Assessments, the Developers make no guarantee as to such expectation. See "BONDHOLDERS' RISKS — Exercise of Mineral Rights."

Utilities

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

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

Additional Utilities. The Developers anticipate additional utilities to be provided by: (1) Telephone/Cable/Data – Spectrum; (2) Electric – Oncor Electric; and (3) Natural Gas – Centric.

THE DEVELOPERS

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

General

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

Description of the Developers

The Managing Developer. The Managing Developer is a limited liability company. Its sole member is Green Brick. Green Brick is a publicly traded company listed on The New York Stock Exchange under the ticker symbol "GRBK." Green Brick invests in a wide range of real estate investments and is a diversified homebuilding and land development company. Green Brick acquires and develops land, provides land and construction financing to its controlled homebuilders. Green Brick also operates Green Brick Title, Green Brick Mortgage and BHOME Mortgage as part of its operations portfolio allowing a fully integrated process throughout the home buying experience.

Green Brick provides expertise and capital to develop neighborhoods with timeless, classic architecture interwoven with the latest technological advancements, and in turn provide a long-term return for their investors, residents, and cities where they develop and build. Green Brick currently operates in Texas, Georgia, Colorado, and Florida.

In the Dallas Metroplex, Green Brick develops neighborhoods for their Team Builders™ and for many of large public and private homebuilders in the nation under the Green Brick brand. As of December 31, 2023, Green Brick had 25,527 lots owned and controlled. When excluding land held for future development, as of December 31, 2023, Green Brick had 18,952 lots owned and controlled. This was in high-growth sub-markets throughout the Dallas and Atlanta metropolitan areas and the Vero Beach, Florida market. For additional information, see "BONDHOLDERS' RISKS – Dependence Upon Developers" herein.

Green Brick is subject to the informational requirements of the Securities and Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the SEC. Such reports, proxy statements, and other information filed by Green Brick can be inspected and copied at the Public Reference Section of the SEC, Room 100 F Street, N.E., Washington D.C. 20549 and at the SEC's internet website at <http://www.sec.gov>. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the NYSE, 11 Wall St, New York, NY 10005. All documents subsequently filed by Green Brick pursuant to the requirements of the Securities and Exchange Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

In addition, Green Brick makes available on its website, <https://greenbrickpartners.com/reporting/>, its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports from Form 8-K (and any amendments to those reports) filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as practicable after they have been electronically filed with the SEC. Information contained on Green Brick's website is not incorporated into this Limited Offering Memorandum.

Description of Past and Current Projects of GRBK

The following is a brief sampling of past and current development projects of GRBK and its related entities:

<u>Name of Community</u>	<u>City</u>	<u>Number of Lots</u>	<u>Status of Development</u>
The Village at Twin Creeks	Allen	561	Fully Developed
Edgewood	Frisco	354	Fully Developed
Park Vista	Frisco	359	Fully Developed
Buffalo Ridge	Waxahachie	405	Fully Developed

Executive Biographies of Green Brick

Austin Evetts, P.E. is the Vice President of Land Development for the Austin Division of Green Brick Partners and has been with the company since 2023. Mr. Evetts has worked in the homebuilding industry since 2015 and has been in land development since 2006. Mr. Evetts received a BS in Civil Engineering from The University of Texas at Austin and is a licensed civil engineer in the state of Texas.

Stephen Plevak is the Vice President of Land Acquisition for the Austin Division of Green Brick Partners and has been with the company since 2023. Mr. Plevak has worked in the homebuilding industry since 2010. Mr. Plevak received a BA in Economics from the University of Colorado, a Masters of Science in Community and Regional Planning from The University of Texas at Austin, and an MBA from Baylor University.

The Non-Managing Developer. The Non-Managing Developer is wholly owned by Meritage Homes of Texas Holding, Inc., which is wholly owned by Meritage Homes Corporation (“MTH”). Meritage was created by MTH for the purpose of acquiring, owning, holding, managing, operating, investing, reinvesting, accumulating, improving, and developing residential housing upon property located in the State of Texas, including developing, managing, and ultimately conveying property to third parties.

MTH constructs a variety of single-family detached homes across the United States. It is the sixth largest home builder in the country, based on 2020 home sales. MTH operates through two segments: homebuilding and financial services. It acquires and develops land; and constructs, markets, and sells homes for first-time and first move-up buyers. MTH also offers title insurance and closing/settlement services to its homebuyers. It builds and sells homes in Texas, Arizona, California, Colorado, Florida, North Carolina, South Carolina, Georgia, and Tennessee under the Meritage Homes brand name.

MTH is a publicly traded company on the New York Stock Exchange under the ticker symbol “MTH.” MTH is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the “SEC”). The file number for MTH is No. 1-9977. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 100 F Street, N.E., Washington D.C. 20549 and at the SEC’s internet website at <http://www.sec.gov>. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. All documents subsequently filed by MTH pursuant to the requirements of the Securities and Exchange Commission Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

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Description of Past and Current Projects of Non-Managing Developer

<u>Name of Community</u>	<u>City</u>	<u>Number of Lots</u>	<u>Status of Development</u>
Shadow Glen ⁽¹⁾	Manor, TX	1,200+	Ongoing
Butler Farms ⁽²⁾	Liberty Hill, TX	493	Ongoing
Cross Creek ⁽²⁾	Hutto, TX	496	Complete
Wildridge ⁽¹⁾	Dripping Springs, TX	861	Entitlements
Limestone Creek ⁽³⁾	Kyle, TX	682	Ongoing
Turners Crossing ⁽²⁾	City of Austin ETJ/Travis Co, TX	1,328	Ongoing
Homestead ⁽¹⁾	Round Rock, TX	613	Ongoing
Opal Meadows	Kyle, TX	130	Complete
Lexington Parke	Austin, TX	229	Ongoing
Prairie Winds ⁽²⁾	Hutto, TX	1,093	Ongoing
The Colony ⁽⁴⁾	Buda, TX	506	Ongoing

Executive Biographies of Non-Managing Developer

Justin Belmore is the Division Vice President of Land Acquisition for the Non-Managing Developer and has been with the company since 2022. He's worked in the homebuilding industry since 2016, primarily in land, finance, and management roles. He received a Bachelor of Science in Quantitative Economics from the United States Naval Academy in 2009.

Brandon Hammann, P.E., is the Vice President of Land Development for the Austin Division of Meritage Homes of Texas, LLC, and has been with the company since 2022. He worked as an engineering consultant for 16 years prior to joining the Non-Managing Developer. Brandon received a BS in Civil Engineering from The University of Texas at Austin in 2005.

History and Financing of the District

Effective as of June 28, 2023, the Managing Developer entered into the Purchase and Sale Agreement with the Original Owner to purchase the approximately 263.021 acres of the Property comprising the District. The Purchase and Sale Agreement was thereafter partially assigned to the Non-Managing Developer. The Developers each acquired an undivided 50% ownership interest in the Property, and the purchase price of the Purchase and Sale Agreement was paid in cash.

In connection with the Developers purchase of the Property, they entered into the JODA, pursuant to which the Developers agreed: (1) to close the Property in undivided fee simple ownership, with each putting up funds proportional to their respective 50% interest; (2) to jointly fund the development based on their respective interests; and (3) upon completion of the lots in each development phase, to execute and exchange deeds and perform true-ups such that each Developer will pay the same amount proportionally based on their actual share of the lots that they received.

The JODA contemplates that each Developer will pay 50% of the costs to develop the District and receive the same proportion of lots, based upon lot size. The JODA also provides, among other things: (1) for the appointment of the Managing Developer, empowered to act on behalf of the Non-Managing Developer (subject to certain major decisions) to cause the development to be constructed; (2) a development plan, development schedule and development budget; (3) restrictions on the right of either Developer to dispose of their ownership interests/lots in the property, including granting the other Developer the right of first refusal with respect to the ownership interest/lots and the inclusion of a list of preapproved substitute landowners and homebuilders; (4) for the allocation of lots amongst the Developers in proportion to their ownership interests; and (5) events of default.

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 and the Underwriter, and neither the City nor 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 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 City billing and collection;
- Establishing and maintaining a database of all City Parcel identification numbers 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 public improvement costs.

APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #1

The Appraisal

General. Barletta & Associates, Inc., Houston, Texas (the "Appraiser") prepared an appraisal report (the "Appraisal") for the City and the Underwriter dated December 2, 2024 (the "Appraisal Date"), based upon a physical inspection of Improvement Area #1 of the District conducted on November 26, 2024 (the "Physical Inspection Date"). The Appraisal was prepared at the request of the City and the Underwriter. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX 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 of Improvement Area #1."

Value Estimates. The Appraiser estimated the prospective market value of the fee simple interest in 280 developed lots in Improvement Area #1 if sold in bulk, under certain extraordinary assumptions and hypothetical conditions including that all Improvement Area #1 Projects listed in the Service and Assessment Plan had been completed. The Appraisal Report 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 Projects have been completed in accordance with plans and specifications as of the dates specified below. See "THE IMPROVEMENT AREA #1 PROJECTS," "THE DEVELOPMENT — Development Plan" and "APPENDIX H — Appraisal of Improvement Area #1."

The value estimate for the aggregate 280 lots comprising the Improvement Area #1 Assessed Property if sold in bulk using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of December 31, 2024 with respect to Phase 1 of Improvement Area #1 and March 31, 2025 with respect to Phase 2 of Improvement Area #1, is \$25,540,000. None of the City, the Developers or the Underwriter makes any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developers and the Underwriter make no representation as to the reasonableness of such assumptions.

BONDHOLDERS' RISKS

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

THE BONDS SIMILARLY SECURED ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED 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 SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

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

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

Failure or Inability to Complete Proposed Development

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

Assessment Limitations

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

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

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

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

stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

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

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed. Furthermore, the Developers are not eligible to claim homestead rights and the Developers have represented that they own all property within Improvement Area #1 of the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Improvement Area #1 Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the 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 Improvement Area #1 Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

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

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.

Recent changes in State Law Regarding Public Improvement Districts

The 87th Legislature passed House Bill 1543, which became effective September 1, 2021, and requires a person who proposed to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract to purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract of purchase and sale. If the Developers or any homebuilders within Improvement Area #1 of the District do not provide the required notice and prospective purchasers of property within the District terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney’s fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney’s fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Improvement Area #1 Assessments on such property should be paid. On payment of all damages respectively to the lienholders and

purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the Developers or any homebuilders within Improvement Area #1 of the District do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers are attached as Exhibits M to the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan.”

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 89th Legislative Session of the State (the “89th Regular Session”) convened on January 14, 2025 and is scheduled to conclude on June 2, 2025. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor’s direction, each lasting no more than 30 days, and for which the Governor sets the agenda. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

Completion of Homes

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

Absorption Rate

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

The Developers expect to construct homes on all of the lots in the District.

Risks Related to the Current Real Estate Market

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

Risks Related to Recent Increase in Costs of Building Materials

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

Competition

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

The Appraisal identified the following communities which are believed to compete with the Development:

Subdivision	Builder	Lot Sizes	Home Price Range
Santa Rita Ranch	Pulte Homes	40'/45'	\$330,000 - \$400,000
Santa Rita Ranch	Scott Felder Homes	45'	\$325,000 - \$375,000
Santa Rita Ranch	Westin Homes	60'	\$400,000 - \$500,000
Flora	Meritage Homes	40'	\$347,990 - \$416,990
Highland Village	McGuyer Land and DFH Coventry Homes	45'/50'/55'/60'	N/A

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 of Improvement Area #1 – Sales Comparison Approach – Retail Lot Valuation."

Loss of Tax Exemption

The Indenture will contain 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" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the 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.

Bankruptcy

The payment of Improvement Area #1 Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Improvement Area #1 Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Improvement Area #1 Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Improvement Area #1 Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Improvement Area #1 of the District to pay the Improvement Area #1 Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within the District and will likely do so in the future. Such entities could also impose assessment liens on the property within the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Improvement Area #1 Assessments.

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within Improvement Area #1 of the District to pay the Improvement Area #1 Assessments when due could result in the rapid, total depletion of the Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture will provide that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under “SECURITY FOR THE BONDS SIMILARLY SECURED — Reserve Account of the Reserve Fund” herein.

Depletion of Reserve Fund; No Prefunding of Delinquency & Prepayment Reserve Account

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

Regulation

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

Hazardous Substances

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous

substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or “Superfund Act,” is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

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

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

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

100-Year Flood Plain

None of the land within the District is located within an official Federal Emergency Management Agency (“FEMA”) 100-year flood plain (the “Flood Plain”).

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

Risk from Weather Events

All of the State, including the City, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, heavy rains and freezes. Texas experienced a winter storm 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 such weather events and the impact they may have on the City, including land within the District.

Exercise of Mineral Rights

The Developers do 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 the District to pay Improvement Area #1 Assessments. However, none of the City, the Financial Advisor, or the Underwriter provide any assurances as to such Developers’ expectations.

Bondholders’ Remedies and Bankruptcy

In the event of default in the payment of principal or of interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of the owners of at least a Quarter in Interest of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City’s obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of

mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the 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” herein.

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

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

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

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City’s sovereign immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that

leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the 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 the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and Improvement Area #1 Assessments may be adversely affected by the effects of market conditions on the foreclose sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

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

Limited Secondary Market for the Bonds

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

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) Annual Collection Costs are paid in full, (5) all regulatory or electoral approvals required under State law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt. The City cannot predict a Bankruptcy Court's treatment of the Bondholders' creditor claims and whether a Bondholder would be repaid in full.

Tax-Exempt Status of the Bonds

The Indenture will contain 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. The IRS has announced that its audit efforts will focus in part on “Developer-driven bond transactions,” including certain tax increment financings and certain assessment bond transactions. In recent audits, the IRS has asserted that interest on such “Developer-driven” obligations can be taxable, in certain circumstances, even when those transactions otherwise meet all applicable tax law requirements. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit. If an audit of the Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

Management and Ownership

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

General Risks of Real Estate Investment and Development

The Developers have the right to modify or change their 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 Developers, nor is there a requirement that future developers or the Developers enter into such an agreement. There can be no assurance, in the event the Developers or a subsequent developer modifies or changes its plan for development that the necessary revisions to the Service and Assessment Plan will be made, or if made will provide the necessary assessment revenues required to pay debt service on Bonds. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate

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

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

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

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 an appraisal is based on various assumptions of future expectations and while the appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District.

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

Availability of Utilities

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

Dependence upon Developers

As of the levy of the Improvement Area #1 Assessments, the Developers, collectively, initially have the obligation for payment of 100% of the total Improvement Area #1 Assessments. The ability of the Developers, as

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

Moreover, the City will pay the Developers, or the Developers' designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Improvement Area #1 Projects within the District. See "THE IMPROVEMENT AREA #1 PROJECTS." There can be no assurances given as to the financial ability of the Developers to complete the Improvement Area #1 Projects or any other improvements.

TAX MATTERS

Opinion

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

In rendering its opinion, Bond Counsel to the City will rely upon (a) the City's federal tax certificate, and (b) covenants of the City with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure by the City to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

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

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

A ruling was not sought from the Internal Revenue Service by the City with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the City that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price

at maturity” means the sum of all payments to be made on the bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

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

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

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

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

Collateral Federal Income Tax Consequences

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

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

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

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

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

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

State, Local and Foreign Taxes

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

Information Reporting and Backup Withholding

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

Future and Proposed Legislation

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

LEGAL MATTERS

Legal Proceedings

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

McCall, Parkhurst & Horton L.L.P., Austin, Texas, serves as Bond Counsel to the City. Norton Rose Fulbright US LLP serves as Underwriter’s Counsel. The legal fees paid to Bond Counsel and Underwriter’s Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The 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 the State, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the 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 Pledged Revenues. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption “TAX MATTERS.” A copy of the opinion of Bond Counsel is attached hereto as “APPENDIX D — Form of Opinion of Bond Counsel.”

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

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

Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Improvement Area #1 Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

The information provided below is regarding ongoing litigation, and is, therefore, subject to judicial review, findings of fact and conclusions of law. All publicly filed pleadings, motions and orders pertaining to the litigation matters listed below is available to the general public by seeking the information through the Court Clerk’s Office in the applicable jurisdiction in which each matter is pending. A summary of each matter, as well as other material information for bondholders and holders of other debt involving the City or its local government corporations, is included below.

Legacy Hutto, LLC v. City of Hutto, Texas, Cause No. 20-0863-C395; In the Judicial District of Williamson County; 395th Judicial District. Legacy Hutto (“Legacy”) brought a lawsuit against the City for breach of contract and related claims arising out of a development project, which has since been abandoned. The City Council did not authorize the contract and the contract fails to contain legally required provisions to be enforceable. The City in 2020 successfully defended the case based on immunity grounds. While on appeal to the Texas Supreme Court, a change in state law affecting the contract was adopted by the state legislature, which required remand of the case to the Trial court to proceed based on the retroactive law. The case will be defended on the same grounds and the City anticipates it to be dismissed with prejudice. In the event that the City may be found liable, it anticipates possible liability in the range off \$500,000.

Odis Jones v. City of Hutto; Mike Snyder; Tanner Rose and Warren Hutmacher; Cause No. 24-50096; In the United States Court of Appeals for the Fifth Circuit; (appeal from Cause No. 1:20-cv-01210; In the United States

District Court for the Western District of Texas; Austin Division). Odis Jones, a former City Manager of the City, filed suit against the City and two of its City Councilmembers and then-City Manager, alleging a federal claim of race discrimination under 42 U.S.C. section 1981 (through section 1983) in the making and enforcement of contracts, a constitutional claim asserting equal protection, breach of an employment agreement and a separation agreement, and multiple state tort claims, including defamation, tortious interference with existing contracts and prospective business relationships, and intentional infliction of emotional distress. The plaintiff also requested a declaratory judgment from the Court regarding the validity and enforceability of the separation agreement. More specifically, the section 1981 (through section 1983) claim is premised on Jones' allegations that the breach of his Employment Agreement and Separation Agreement were motivated by racial animus held by a majority of Councilmembers and that such treatment caused Jones damages. All claims against the Defendants were dismissed except one breach of contract claim against the City and the race discrimination claim raised using 42 USC §1981.

The remaining two claims were tried to a jury verdict. Despite the Plaintiff's statement that he sought only approximately \$400,000 as damages, the Jury awarded Plaintiff \$8 Million in compensatory damages for discrimination/retaliation based on his race. It also awarded Plaintiff \$4.5 Million in compensatory damages for the City's breach of the Separation Agreement (disparaging plaintiff) which was later waived based on a defense to such judgment, leaving only the \$8 Million damages from the discrimination claim.

On February 8, 2024, the City filed its appeal to the Fifth Circuit Court of Appeals. After briefing by all parties, oral argument was held on November 4, 2024, before a panel of three Judges of the Fifth Circuit Court of Appeals. The oral argument appeared favorable to the City's position. The parties conducted a mediation in Mid-December, which did not result in a settlement.

The City has coverage for defense costs and indemnity, subject to limits, from the Texas Municipal League Intergovernmental Risk Pool on the only remaining claim, the Section 1981 discrimination claim. The outcome anticipated in this case is favorable to the City. In the event the case is not dismissed, it is probable that the case may be retried, or a remote possibility for that finding of liability to be affirmed, with a finding of nominal damages, which would allow for an attorneys' fee award. If the City is not successful in the rehearing requests, an appeal to the U.S. Supreme Court is being considered. Ultimately, if affirmed, the City would have a \$8.5 Million judgment, which would be reduced by its liability coverage from its Risk Pool coverage. In addition, Plaintiff has requested over \$1 Million legal fees and cost, the City believes the legal fees and costs, if awarded, would be substantially less.

Cottonwood Development Corporation v Preston Hollow Capital, LLC, PHCC, LLC and Winstead PC, pending in the Texas Supreme Court. This case involves a 2020 dispute over the validity of a closing, and of the loan agreement and related loan documents for a conditional loan of \$35 Million. The loan provided an initial advance of \$15 Million which was to be released to Cottonwood Development Corporation (CDC), a Local Government Corporation created pursuant to Texas Transportation Code Chapter 431. At closing, only a portion of the funds were released to the CDC. The Trial court ultimately ruled for the Defendants on its crossclaims against CDC, denied CDC's claims for relief, and awarded approximately \$19.3 Million to certain defendants. CDC liquidated its land holdings, totaling 240 acres within the City of Hutto, in a sale to the Hutto Economic Development Corporation Type B while the Judgment was pending and used the proceeds to satisfy the Judgment, while reserving its appellate rights, seeking to reverse and render the dispute in their favor. Thus, this matter has no further material value.

River Creek Development Corporation and City of Hutto, Texas v. Paxton, Attorney General of Texas, et. al., Cause No. 21-0759-C425; In the Judicial District of Williamson County; 425th Judicial District. The City Council ("Hutto") by ordinance, placed an assessment (a total of \$17.4 Million) allocated among all the properties within the CoOP District to pay the debt for "Costs" which are defined by law. Hutto then was to monitor the improvements built and the reimbursement of the "Costs" within the PID by the annual review and adoption of a Service and Assessment Plan ("SAP"). River Creek was the Borrower and the legal entity that manages the PID. The Wisconsin Public Finance Authority ("PFA") processed the debt as a "conduit" and issued the tax-free bonds. U.S. Bank ("USB") served as the Trustee handling the distribution of the borrowed funds and the payment of principal and interest to the bond holder, in this case, Preston Hollow Capital ("PHC"). The validity and enforcement of the debt issuance, and the related reimbursements of costs and the involvement of Preston Hollow Capital both in the structuring of the issuance and as the bond holder were questioned. The Texas Attorney General ("TAG") issued Opinion No. KP-0366 regarding the statutory obligations related to the transaction which was used to obtain \$17.4 Million in PID debt financing. Further, Hutto established a Tax Incentive Reinvestment Zone over the PID boundaries, in which Williamson County participated, encumbering tax dollars to subsidize the Bond payments. Unfortunately, the Attorney General did not opine directly on the issue facing Hutto, except to factually state that "[t]he Out-of-State Authority [PFA] did not seek

approval of the Attorney General Public Finance Division before funding its loan to the Corporation by issuing bonds” and cite Texas Transportation Code Section 431.071, which requires it. The Attorney General did however opine that in this matter, PFA is not an “issuer” under subtitle A, Title 9 of the Texas Government Code. Accordingly, bonds issued by it as an out-of-state issuer are not issued as allowed by section 372.024 of the Texas Local Government Code, and therefore such bond issuance costs are not costs of any improvements under section 372.023(h). Applying this part of the opinion places the PID debt financing in turmoil.

River Creek and the City filed for declaratory judgment seeking a declaration of the parties’ rights and status in relation to various statutes and various contractual agreements between the parties related to financing the construction of public improvements in the CoOP District with Public Improvement District Bonds. Hutto takes significant risk if it approves an SAP that imposes a void debt on the CoOP District, so this matter must be resolved. River Creek’s and the City’s request for a temporary injunction was denied. The Court issued an order granting Motion for Summary Judgment for PHC, ruling that the loan transaction and bond issuance was valid and enforceable and awarded PHC \$289,587.91 in reasonable attorneys’ fees and expenses, \$75,000 in contingent appellate fees with \$50,000 for an appeal to the Texas Court of Appeals and \$25,000 to the Texas Supreme Court, and with 5% interest per year from date of final judgment until payment. The remaining parties filed and received favorable summary judgments.

The potential loss in this matter relates only to attorneys’ fees awarded to PHC in this case, plus attorney’s fees and expenses of other Defendants, which total \$337,555.46 for an overall total of \$702,143.37 (subject to outcome of the Plaintiffs’ appeal).

Litigation — The Developers

At the time of delivery and payment for the Bonds, the Developers will each 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 each of the Developers, threatened against or affecting the respective Developer or any of its affiliates wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the respective Developer or its managing member, or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Service and Assessment Plan, the Financing Agreement, or the Development 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”).

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.

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 SEC (the “Rule”), the City, the PID Administrator Wilmington Trust, National Association, as dissemination agent (the “Dissemination Agent”), will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Issuer”), for the benefit of the owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Issuer, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E-1 — Form of Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The City’s Compliance with Prior Undertakings

The City has complied in all material respects with its prior continuing disclosure agreements made in accordance with the Rule except for possibly the following. For fiscal year ended September 30, 2021, the City did not file unaudited financial statements by March 31, 2022. The City did, however, file audited financial statements on May 18, 2022.

The Developers

The Managing Developer

Pursuant to the Rule, the Managing Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Managing 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 Managing Developer, certain information regarding the Development and the Public Improvements (collectively, the “Managing Developer Reports”). The specific nature of the information to be contained in the Managing Developer Reports is set forth in “APPENDIX E-2 — Form of Disclosure Agreement of Managing Developer.” Under certain circumstances, the failure of the Managing Developer or the PID Administrator to comply with its obligations under the Disclosure Agreement of Managing 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 Managing Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The Managing Developer has agreed to provide (i) certain updated information to the PID Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Disclosure Agreement of Managing Developer. The Managing 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 Managing Developer. The Managing 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 Managing Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of Managing Developer or from any statement made pursuant to the Disclosure Agreement of Managing Developer.

The Non-Managing Developer

Pursuant to the Rule, the Non-Managing Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Non-Managing 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 Non-Managing Developer, certain information regarding the Development and the Public Improvements (collectively, the “Non-Managing Developer Reports”). The specific nature of the information to be contained in the Non-Managing Developer Reports is set forth in “APPENDIX E-3 — Form of Disclosure Agreement of Non-Managing Developer.” Under certain circumstances, the failure of the Non-Managing Developer or the PID Administrator to comply with its obligations under the Disclosure Agreement of Non-Managing 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 Non-Managing Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The Non-Managing Developer has agreed to provide (i) certain updated information to the PID Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Disclosure Agreement of Non-Managing Developer. The Non-Managing 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 Non-Managing Developer. The Non-Managing 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 Non-Managing Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of Non-Managing Developer or from any statement made pursuant to the Disclosure Agreement of Non-Managing Developer.

The Developers’ Compliance with Prior Undertakings

Managing Developer

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

Non-Managing Developer

The Non-Managing Developer has previously entered into certain continuing disclosure undertakings with respect to public improvement district bonds issued to fund improvements in developments unrelated to the Development or the District. With respect to one such undertaking, due to an administrative oversight, the Non-Managing Developer’s quarterly filing report due December 31, 2019 was not timely filed. The Non-Managing Developer filed the required quarterly report and an event notice on May 5, 2021. With respect to another undertaking, quarterly filing reports due on February 15, 2022 and May 15, 2022 were not filed. A notice of failure to file the quarterly report due on February 15, 2022 was filed on May 12, 2022, and a notice of failure to file the quarterly report due on May 15, 2022 was filed on May 25, 2022. The information pertaining to the missed quarters was filed on May 23, 2022.

UNDERWRITING

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the Bonds from the City at a purchase price of \$_____ (representing the par amount of the Bonds, less a reoffering discount of \$_____ and less an underwriting discount of \$_____). The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds

may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of 1933 in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The 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 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 available funds in investments authorized by State law, particularly the PFIA, 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 invest in:

- (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 are 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 (“FDIC”) or by 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 insured by the FDIC or the National Credit Union Share Insurance Fund (“NCUSIF”) or their respective successors;
- (8) (i) interest-bearing banking deposits other than those described by subdivision (7) if the funds invested in the banking deposits are invested through (a) a broker with a main office or branch office in this state

- that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or (b) a depository institution with a main office or branch office in this state that the investing entity selects; (ii) the broker or depository institution selected as described 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 investing entity's account; (iii) 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 (iv) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account (a) the depository institution selected as described above; (b) an entity described by Section 2257.041(d); or (c) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3);
- (9) certificates of deposit 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 a combination of cash and the FDIC or the NCUSIF, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and amount provided by law for City deposits;
 - (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clauses (1) and (12) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State;
 - (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 not less than "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 not less than "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 commercial 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 Securities and Exchange Commission that comply with the United States Securities and Exchange Commission Rule 2a-7;
 - (14) no-load mutual funds registered with the United States Securities and Exchange Commission that have an average weighted maturity of less than two years, and either has a duration of one year or more and is invested exclusively in obligations described in this paragraph, or has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities; and,
 - (15) local government investment pools organized in accordance with the Interlocal Cooperation Act (Chapter 791, Texas Government Code) as amended, whose assets consist exclusively of the obligations that are described above. A public funds investment pool must be continuously ranked no lower than "AAA," "AAA-m" or at an equivalent rating by at least one nationally recognized rating service.

The City may also invest bond proceeds in guaranteed investment contracts that have a defined termination date and are secured by obligations of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

A political subdivision such as the City may enter into securities lending programs if:

- (i) the value of securities loaned under the program are not collateralized at less than 100%, including accrued income, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (11) through (13) 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.

The City may also contract with an investment management firm registered under the Investment Advisor 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 of up to two years, but the City retains ultimate responsibility as fiduciary of its assets.

The City is specifically prohibited from investing in:

- (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest;
- (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and
- (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

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 and maturity; and also that address the quality and capability of investment personnel. The policy includes a list of the type of authorized investments for City funds, the maximum allowable stated maturity of any individual investment owned by the City, 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 funds' investment. Each Investment Strategy Statement must describe the investment objectives for the particular fund using the following priorities:

- (1) understanding of the suitability of the investment to the financial requirements of the City;
- (2) preservation and safety of principal;
- (3) liquidity;
- (4) marketability of each investment;
- (5) diversification of the portfolio; and
- (6) yield.

The City's investment policy authorizes the City to invest its funds and funds under its control in all of the eligible investments described above under "Legal Investments," except those investments described in clauses (3) and (6).

Under State law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly, the investment officers of the City shall submit an investment report detailing:

- (1) the investment position of the City;
- (2) that all investment officers jointly prepared and signed the report;
- (3) the beginning market value and the ending value 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 strategy statements and (b) State law.

No person may invest City funds without express written authority of the City Council or the Finance Director of the City.

Under State law, the City is additionally required to:

- (1) annually review its adopted policies and strategies,
- (2) 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,
- (3) require a registered representative of business organizations 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 imprudent investment activities, and (c) deliver a written statement attesting to these requirements;
- (4) perform an annual audit of the management controls on investments and adherence to the City's investment policy; and
- (5) provide specific investment training for the Finance Director of the City, Treasurer, and Investment Officers.

An investment officer of a local government is required to invest bond proceeds or pledged revenue only to the extent permitted by the PFIA and in accordance with (i) statutory provisions governing the debt issuance (or lease, installment sale, or other agreement) and (ii) the local government's investment policy regarding the debt issuance or the agreement.

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.

In the Indenture, the City has agreed to compensate the Trustee from the amount collected each year for Annual Collection Costs and in the manner set forth in the Indenture for the Trustee's services as Trustee and as Paying Agent Registrar.

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 Developers and their 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 Developers 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 Developers, the Development and the Improvement Area #1 Projects generally and, in particular, the information included in the maps on pages (ii), (iii), (iv), (v) and (vi), and in the sections captioned “PLAN OF FINANCE — Development Plan,” “— Status of Development,” and “— Developers as Homebuilders,” “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPERS,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developers, the Authorized Improvements and the Development), “LEGAL MATTERS — Litigation — The Developers,” and “CONTINUING DISCLOSURE — The Developers” and “— The Developers’ Compliance with Prior Undertakings” has been provided by the Developers, and the Developers warrant and represent that, to the Developers’ knowledge after due inquiry, the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developers will each 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 the PID Administrator and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

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

Updating of Limited Offering Memorandum

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

FORWARD-LOOKING STATEMENTS

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

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

CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

AUTHORIZATION AND APPROVAL

The City Council has approved by resolution the form and content of this Preliminary Limited Offering Memorandum and has authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

CITY OF HUTTO, TEXAS

Mayor

ATTEST:

City Secretary

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

The following information has been provided for informational purposes only.

General Information

The City is a residential community located in central Texas approximately 25 miles northeast of Austin, between the cities of Round Rock and Taylor on US Highway 79. The City continues to transform from a rural Texas farm town to one of Austin’s fastest growing suburbs. The impetus for the City’s growth has been quality, affordable housing and quality public schools coupled with the access to larger job markets. The City’s 2020 census population was 27,577. The City’s 2025 estimated population is approximately 50,832.

Historical Employment in the City (Average Annual)

	Average Annual				
	2024 ⁽¹⁾	2023	2022	2021	2020
Civilian Labor Force	19,515	18,830	18,030	16,891	15,933
Total Employed	18,770	18,200	17,517	16,186	14,982
Total Unemployed	745	630	513	705	951
Unemployment Rate	3.8%	3.3%	2.8%	4.2%	6.0%

⁽¹⁾ Data through October 2024.

Source: Texas Labor Market Information

Major Employers in the City

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

<u>Employer</u>	<u>Employees</u>
Hutto ISD	1,195
Paradigm Metals	250
HEB	200
Brycom	153
City of Hutto	150
Home Depot	148
Victory Plumbing	125
Lowe's	119
AEND	74
Western	70

Source: City’s 2023 CAFR

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Regional Employers

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

City of Taylor, TX Approximately 9 Miles from Hutto		City of Georgetown, TX Approximately 14 Miles from Hutto		City of Round Rock, TX Approximately 9 Miles from Hutto		City of Cedar Park, TX Approximately 22 Miles from Hutto	
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employees
ERCOT	600	Georgetown ISD	1,983	Dell Inc.	12,000	Leander ISD	5,510
Taylor ISD	500	Williamson County	1,760	Round Rock ISD	6,604	Cedar Park Regional Medical Center	740
Durcon Inc.	400	City of Georgetown	881	St. David's Round Rock Medical Center	1,200	CoreSlab Structures	340
E.R. Caprenter Co.	200	Airborn, Inc.	507	City of Round Rock	1,132	ETS Lindgren	330
Baylor Scott & White	180	St. David's Hospital	468	Baylor Scott & White Healthcare	911	Firefly Aerospace	294
Corrections Corp of America	160	Southwestern University	456	Seton Medical Center Williamson	750	Hyllion	266
HEB	160	Lone Star circle of Care	285	Kalahari Resorts & Conventions	700	Tresl	235
City of Taylor	150	Wesleyan Homes	284	Amazon	650	National Oilwell Varco	225
Wal-Mart	125	Caring Home Health	256	Emerson Automation Solutions	600	Dirigo Collaborative	180
Floydco Inc.	120	Rock Springs Hospital	223	Airco Mechanical	550	BMC Milworks	130

City of Pflugerville, TX Approximately 10 Miles from Hutto	
Employer	Employees
Pflugerville ISD	3,600
Amazon	2,400
City of Pflugerville	407
ESD	338
Brant	306
Austin Foam Plastics	300
Cash Construction Company	300
Mtech	268
Walmart	256
Curative	248

City of Austin, TX Approximately 30 Miles from Hutto	
Employer	Employees
State Government	38,681
University of Texas at Austin	31,106
HEB	22,955
City of Austin	16,029
Ascension Seton	14,842
Federal Government	14,600
Dell Computer Corporation	13,000
Tesla, Inc.	12,277
St David's Healthcare	11,484
Amazon	11,000

Source: For information relating to the Cities of Austin, Cedar Park, Georgetown, Pflugerville, Round Rock, and Taylor, Texas, see the individual City's 2024 CAFR.

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APPENDIX B
FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF HUTTO, TEXAS

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
AS TRUSTEE**

DATED AS OF _____, 2025

SECURING

\$ _____

**CITY OF HUTTO, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(PRAIRIE WINDS PUBLIC IMPROVEMENT
DISTRICT IMPROVEMENT AREA #1)**

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EXHIBIT A	DESCRIPTION OF THE PROPERTY WITHIN THE PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT
EXHIBIT B	FORM OF CERTIFICATION FOR PAYMENT

INDENTURE OF TRUST

THIS INDENTURE, dated as of _____, 2025, is by and between the CITY OF HUTTO, 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, Chapter 372, Texas Local Government Code, 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 Prairie Winds Public Improvement District; and

WHEREAS, on July 6, 2023, the City Council (the "*City Council*") authorized the formation of the Prairie Winds Public Improvement District, formerly known as Lidell Walker Public Improvement District, (the "*District*" or "*PID*") pursuant to Resolution No. R-2023-140 (the "*Creation Resolution*") in accordance with the PID Act;

WHEREAS, the petition contained the signatures of the record owners of taxable real property representing more than 50% of the appraised value of the real property liable for assessments within the District, as determined by the then current ad valorem tax rolls of the Williamson Central Appraisal District, and the signatures of record property owners who own taxable real property that constitutes more than 50% of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on July 6, 2023, after due notice, the City Council held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on July 6, 2023, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. R-2023-140, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of the Creation Resolution, the City recorded Resolution No. R-2023-140 in the real property records of Williamson County; 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 such recording; and

WHEREAS, on March 6, 2025, the City Council adopted a resolution approving the execution of the Reimbursement Agreement to reimburse the Developer for the portion of the Improvement Area #1 Project Costs (defined in the Reimbursement Agreement) not financed by the proceeds of the Bonds to be paid for by and pursuant to the Reimbursement Agreement and the Financing Agreement; and

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice on February 16, 2025 of a public hearing in a newspaper of general circulation in the City to consider the proposed "*Improvement Area #1 Assessment Roll*" and the "*Service and Assessment Plan*" and the "Improvement Area #1" levy of the "*Improvement Area #1 Assessments*" in the amount of \$ _____ on property in the District (all as defined herein); and

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

WHEREAS, the City Council convened the hearing on March 6, 2025, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Improvement Area #1 Assessment Roll, and the Improvement Area #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #1 Assessments, the allocation of Actual Costs, the purposes of the Improvement Area #1 Assessments, the special benefits of the Improvement Area #1 Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Improvement Area #1 Assessments; and

WHEREAS, at the public hearing referenced in the preceding paragraph, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Actual Costs, the Improvement Area #1 Assessment Roll, or the levy of the Improvement Area #1 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, at a meeting held on March 6, 2025, respectively, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Improvement Area #1 Assessment Roll and levied the Improvement Area #1 Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Improvement Area #1 Assessments for the purpose of paying a portion of (1) the Actual Costs of the Improvement Area #1 Improvements, (2) Improvement Area #1's allocable share of the Major Improvements, and (3) the Bond Issuance Costs of the Bonds, including capitalized interest and funding a reserve fund for the payment of principal of and interest on the Bonds; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2025 (Prairie Winds Public Improvement District Improvement Area #1 Project)" (the "*Bonds*"), such Bonds being payable solely from the Improvement Area #1 Assessments and other

funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in this preamble; and

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

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

FIRST GRANTING CLAUSE

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

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

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

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

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

PROVIDED, HOWEVER, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on the Bonds Similarly Secured at the

times and in the manner stated in the Bonds Similarly Secured, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect;

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

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds Similarly Secured issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the 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 Similarly Secured as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

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

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

"*Actual Cost(s)*" means, with respect to the Public Improvements, the actual costs paid or incurred by or on behalf of the Developer: (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City, including the acquisition of necessary easements and other right-of-way; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities, including a 4.0% construction management fee. Actual Costs shall not include general contractor's fees in an amount that exceeds a percentage equal to

the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

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

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

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

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

"*Administrative Reserves*" means the estimated Annual Collection Costs associated with the first year of the District.

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

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

"*Annual Installment*" means the annual installment payment of an Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council that includes: (1)

principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

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

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

"*Assessment*" means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"*Assessment Ordinance*" means Ordinance No. O-_____ adopted by the City Council on March 6, 2025, that levied the Improvement Area #1 Assessments, and any additional ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on Assessed Property within Improvement Area #1 of the District, as shown on any Assessment Roll.

"*Assessed Property*" or "*Assessed Properties*" means property within Improvement Area #1 of the District that benefits from an Authorized Improvement and on which Assessments have been levied as shown on an Assessment Roll (as the same may be updated each year by an update to a Service and Assessment Plan).

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

"*Assessment Roll(s)*" means any assessment roll for the Assessed Property within the District, including the Improvement Area #1 Assessment Roll included in the Service and Assessment Plan as Exhibit F, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the levy of an Assessment, the issuance of Bonds Similarly Secured, or in connection with any Annual Service Plan Update.

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

"*Authorized Denomination*" means \$25,000 and any integral multiple of \$1,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than \$25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$25,000, and, unless made pursuant to Section 4.5 herein, any attempt to accomplish either of the foregoing shall be void and of no effect.

"*Authorized Improvements*" means all costs to be paid with Assessments, including Public Improvements, Bond Issuance Costs and District Formation Expenses.

"*Bond*" means any of the Bonds.

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

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

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

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

"*Bond Ordinance*" means Ordinance No. O-_____ adopted by the City Council on March 6, 2025, authorizing the issuance of the Bonds pursuant to this Indenture.

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

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2025 (Prairie Winds Public Improvement District Improvement Area #1 Project)."

"*Bonds Similarly Secured*" means, collectively, any Outstanding Bonds and Refunding Bonds.

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

"*Certification for Payment*" means a certificate given pursuant to the Financing Agreement executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the written approval of a City Representative, specifying the amount of work performed and the cost thereof, presented to the Trustee to request funding for Actual Costs from money on deposit in the Project Fund. The Form of Certification for Payment is attached hereto as Exhibit B.

"*City Certificate*" means a certificate signed by the City Representative and delivered to the Trustee.

"*City Representative*" means that official or agent of the City authorized by the City Council to undertake the action referenced herein as evidenced by a written incumbency certificate provided to the Trustee. Such certificate may designate alternates, each of whom shall be entitled to perform all duties of the City Representative.

"*Closing Date*" means the date of the initial delivery of and payment for the Bonds.

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

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

"*Continuing Disclosure Agreement of the Issuer*" means the agreement executed between the Issuer, Administrator and the dissemination agent for the benefit of the Owners of the Bonds (including owners of beneficial interests of the Bonds), to provide, by certain dates prescribed in the Continuing Disclosure Agreement of the Issuer to provide periodic information and notices of material events regarding the Issuer in accordance with Securities and Exchange Commission Rule 15c2-12.

"*Continuing Disclosure Agreement of the Managing Developer*" means the agreement executed between the Managing Developer, Administrator and dissemination agent in connection with the issuance of the Bonds pursuant to which the Managing Developer agrees to provide certain information regarding the development of the District and the Improvement Area #1 Projects for the benefit of the owners of the Bonds.

"*Continuing Disclosure Agreement of the Non-Managing Developer*" means the agreement executed between the Non-Managing Developer, Administrator and dissemination agent in connection with the issuance of the Bonds pursuant to which the Non-Managing Developer agrees to provide certain information regarding the development of the District and the Improvement Area #1 Projects for the benefit of the owners of the Bonds.

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

"*Delinquency & Prepayment Reserve Requirement*" means an amount equal to 4.25% of the principal amount of the then Outstanding Bonds Similarly Secured, which amount will be funded from Improvement Area #1 Assessments and Annual Installments deposited to the Pledged Revenue Fund for subsequent transfer to the Delinquency & Prepayment Reserve Account of the Reserve Fund in accordance with the terms of this Indenture.

"*Delinquent Collection Costs*" means costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other

delinquent amounts due under the Service and Assessment Plan including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

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

"*Developer*" means collectively the Managing Developer and the Non-Managing Developer, and their successors and assigns, which currently own the land within Improvement Area #1.

"*District Formation Expenses*" means the costs associated with forming the District, including but not limited to 1st year Annual Collection Costs, and any other cost or expense directly associated with the establishment of the District.

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

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

"*Financing Agreement*" means the Prairie Winds Public Improvement District Financing Agreement between the City and the Managing Developer, dated as of October 21, 2024, as may have been or may be further amended and supplemented from time to time.

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

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

"*Future Bonds*" means any Future Bonds issued pursuant to a separate indenture, subject to the conditions within Article V of the Financing Agreement, for a Future Improvement Area secured by Future Improvement Area Assessments levied on assessed parcels within the Future Improvement Area(s) to fund Authorized Improvements.

"*Future Improvement Area(s)*" means any Improvement Area so designated within the remaining approximately 197.384 acres of land within the District (the District less the acreage comprising Improvement Area #1) available to fund Public Improvements within a Future Improvement Area.

"*Future Improvement Area Assessments*" means the assessments levied on assessed parcels within the Future Improvement Area(s) to fund Public Improvements.

"*Improvement Area(s)*" means each improvement area within the District consisting of "Improvement Area #1," and any Future Improvement Area in the Service and Assessment Plan, or any update thereto.

"*Improvement Area #1*" means the approximately 65.636 acres located within the District, as described in the Service and Assessment Plan.

"*Improvement Area #1 Assessed Property*" means property on which Improvement Area #1 Assessments have been levied as shown on the Improvement Area #1 Assessment Roll (as the same may be updated each year by an Annual Service Plan Update) and which includes any and all Parcels within Improvement Area #1 other than Non-Benefited Property as defined in the Service and Assessment Plan.

"*Improvement Area #1 Assessment Roll*" means the document attached as Exhibit F to the Service and Assessment Plan, showing the total amount of the Improvement Area #1 Assessments, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

"*Improvement Area #1 Assessments*" means the assessments levied against Improvement Area #1 Assessed Property in the District, as provided for in the applicable Assessment Ordinance and in the Service and Assessment Plan, and any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

"*Improvement Area #1 Authorized Improvements*" means Improvement Area #1 Projects, Improvement Area #1's allocable share of District Formation Expenses and Bond Issuance Costs as calculated and described in the Service and Assessment Plan.

"*Improvement Area #1 Improvements*" means those Public Improvements that only benefit Improvement Area #1.

"*Improvement Area #1 Projects*" means Improvement Area #1 Improvements and Improvement Area #1's allocable share of the Major Improvements.

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

"*Independent Financial Consultant*" means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest,

direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

"*Initial Bonds*" means the Initial Bonds authorized by Section 5.2 of this Indenture.

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

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

"*Managing Developer*" means GRBK Edgewood LLC, a Texas limited liability company, and its successors and/or assigns.

"*Major Improvements*" mean the Authorized Improvements that benefit the entire District and are allocated pro rata to Improvement Area #1 and the Future Improvement Area based on Estimated Buildout Value of Improvement Area #1 and the Future Improvement Area at the time of the Service and Assessment Plan, Exhibit K. The Major Improvements are depicted on Exhibit I-2 of the Service and Assessment Plan.

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

"*Non-Managing Developer*" means Meritage Homes of Texas, LLC, an Arizona limited liability company and its successors and/or assigns.

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

"*Owner*" or "*Holder*" 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. The term "*Owner*" or "*Holder*", when used in connection with the Bonds Similarly Secured,

shall also include the Person who is the registered owner of a Bond Similarly Secured under the terms of any indenture relating thereto.

"*Parcel*" or "*Parcels*" means a parcel or parcels within the Improvement Areas, including Improvement Area #1, identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the real property records of Williamson 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 Chapter 372, Texas Local Government Code, as amended.

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

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

"*Pledged Revenues*" means, collectively, the (i) Assessment Revenues (excluding the portion of the Improvement Area #1 Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds or other Bonds Similarly Secured.

"*Prepayment*" means the payment of all or a portion of an Improvement Area #1 Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of an Improvement Area #1 Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment of the Improvement Area #1.

"*Prepayment Costs*" means interest and expenses to the date of Prepayment, plus any additional expenses related to the Prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any Prepayment.

"*Project Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5.

"*Public Improvements*" means the public improvements authorized by the PID Act, including the public improvements as described in Section III.A of the Service and Assessment Plan.

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

"*Quarter in Interest*" means as of any particular date of calculation, the Owners of no less than twenty-five percent (25%) of the principal amount of the then Outstanding Bonds Similarly Secured. In the event that two or more groups of Owners satisfy the percentage requirement set forth in the immediately preceding sentence and act (or direct the Trustee in writing to act) in a conflicting manner, only the group of Owners with the greatest percentage of then Outstanding Bonds Similarly Secured (as measured in accordance with the immediately preceding sentence) shall, to the extent of such conflict, be deemed to satisfy such requirement.

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

"*Rebate Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8.

"*Reimbursement Agreement*" means the Prairie Winds Public Improvement District Reimbursement Agreement (Improvement Area #1) between the City and the Developer, dated as of March 6, 2025, as may have been or may be further amended and supplemented from time to time.

"*Record Date*" means the close of business on the 15th calendar day of the month next preceding an Interest Payment Date.

"*Redemption Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6.

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

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

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

"*Reserve Account Requirement*" means 100% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance; provided, however, that such amount shall be reduced as a result of (1) an optional redemption pursuant to Section 4.3 or (2) an extraordinary

optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the date of delivery of the Bonds, the Reserve Account Requirement is \$_____. The City Representative shall provide the Trustee with written confirmation of the Reserve Account Requirement and any modifications related thereto.

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

"*Service and Assessment Plan*" and "*SAP*" each mean the document, including the Improvement Area #1 Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as amended and restated, as may be updated, amended and supplemented from time to time.

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

"*Special Record Date*" means 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 that will be established by the Trustee, if and when funds for the payment of such interest have been received from the City.

"*State*" means the State of Texas.

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

"*Subaccount*" means any of the subaccounts established pursuant to Section 6.1 of this Indenture.

"*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.

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

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

"*Trustee*" means Wilmington Trust, N.A., National 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 Similarly Secured.

"Value of Investment Securities" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price. The Trustee retains the ability and may rely upon the City's financial advisor to provide a determination as to the foregoing.

Section 1.2. **Findings.**

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

Section 1.3. **Table of Contents, Titles and Headings.**

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

Section 1.4. **Interpretation.**

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

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

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

(d) When used in Article XI of this Indenture in connection with the Bonds Similarly Secured, any reference to this Indenture, Article XI of this Indenture or any Section thereunder, and/or any events of default or remedies set forth therein, such terms and references shall be read and interpreted to include any indenture relating to any Bonds Similarly Secured, the related Article or Section in such indenture, and/or the events of default and remedies set forth therein.

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

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds.

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

(b) The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, which is the date of the delivery of this Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If 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 Chapter 9, Texas Business and Commerce Code, 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 Chapter 9, Texas Business and Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds Similarly Secured 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 Similarly Secured shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council 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 and/or convenient in order to better secure the Bonds Similarly Secured and is a contract or agreement necessary, useful and/or convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds Similarly Secured 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 Similarly Secured by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the Owner, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$ _____ for the purpose of paying a portion of (1) the Actual Costs of the Improvement Area #1 Improvements, (2) Improvement Area #1's allocable share of the Major Improvements, and (3) the Bond Issuance Costs of the Bonds, including capitalized interest and funding a reserve fund for the payment of principal of and interest on the Bonds.

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

(a) The Bonds shall be dated the date of the initial delivery thereof (the "*Bond Date*") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Bond Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing September 1, 202__, computed on the basis of a 360-day year of twelve 30-day months.

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

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

Section 3.3. Conditions Precedent to Delivery of Bonds.

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

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Financing Agreement and any amendments;
- (d) a copy of the executed Reimbursement Agreement and any amendments;
- (e) a copy of (i) a Continuing Disclosure Agreement of the Issuer between the City, the Administrator and the dissemination agent thereunder, (ii) a Continuing Disclosure Agreement of the Managing Developer between the Managing Developer, the Administrator and the dissemination agent thereunder, and (iii) a Continuing Disclosure Agreement of the Non-Managing Developer between the Non-Managing Developer, the Administrator and the dissemination agent thereunder;
- (f) a copy of this Indenture executed by the Trustee and the City;
- (g) an executed City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the

Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City;

- (h) an executed signature and no-litigation certificate of the City;
- (i) executed opinions of Bond Counsel and the City Attorney; and
- (j) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

Section 3.4. Medium, Method and Place of Payment.

- (a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.
- (b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date or Special Record Date, as applicable.
- (c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.
- (d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.
- (e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.
- (f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other

Person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State.

Section 3.5. Execution and Registration of Bonds.

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

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

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

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds and registered in the name of Cede & Co, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor, Mayor Pro-Tem and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and upon City order deliver to DTC on behalf of the Purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the

Person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond is overdue, and none of the City, the Trustee or the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

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

Section 3.7. **Registration, Transfer and Exchange.**

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

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

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

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

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

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

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

Section 3.8. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall destroy such Bonds and deliver a certificate of such destruction to the City.

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 the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. **Replacement Bonds.**

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

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

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

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

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

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

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

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

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

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

Section 3.11. Book-Entry Only System.

(a) The Bonds shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the 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.

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

Section 3.12. 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 17(a) of

the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13. Payments to Cede & Co.

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds maturing on September 1 in the years 20__ and 20__ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective sinking fund installments as set forth in the following schedule:

Term Bonds Maturing September 1, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>

†Final Maturity

Term Bonds Maturing September 1, 20__

Redemption Date

Principal Amount

†Final Maturity

(b) At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select, in accordance with Section 4.5, a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installment amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Term Bonds required to be redeemed on any 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 Term Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Term Bonds required to be redeemed on any 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 Term Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 20__, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7(c)) or any other transfers to the Redemption Fund under the terms of this Indenture. If less than all Bonds are called for extraordinary optional redemption, the Bonds

or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in increments of \$1,000 by lot, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond except as provided in the following sentence. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at the time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

(b) 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 first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

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

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

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

Section 4.7. Payment Upon Redemption.

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

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

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.6 of this Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the principal amount plus accrued unpaid interest on 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 this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of Bond Counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

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

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General may be typewritten and photocopied or otherwise reproduced.

Section 5.2. **Form of the Bonds.**

(a) Form of Bond.

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

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$ _____

CITY OF HUTTO, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 20__
(PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____ %	_____, 20__	_____, 2025	_____

The City of Hutto, 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 1, and September 1, of each year, commencing September 1, 2025.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the "*Designated Payment/Transfer Office*"), of Wilmington Trust, National Association, as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the 15th day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated as of the Date of Delivery and issued in the aggregate principal amount of \$_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of _____, 2025 (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 paying a portion of (1) the Actual Costs of the Improvement Area #1 Improvements, (2) Improvement Area #1's allocable share of the Major Improvements, and (3) the Bond Issuance Costs of the Bonds, including capitalized interest and funding a reserve fund for the payment of principal of and interest on the Bonds.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

The City has reserved the right to issue Refunding Bonds and other obligations on the terms and conditions specified in 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 denominations of \$25,000 and any multiple of \$1,000 in excess thereof ("*Authorized Denominations*"). The City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than \$25,000, and any attempt to do so will be void and of no effect, except as may be the result of a partial redemption of a single Bond as provided in the Indenture.

The Bonds maturing on September 1 in the years 20__ and 20__ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part a redemption 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 respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 1, 20__

Redemption Date

Principal Amount

†Final Maturity

Term Bonds Maturing September 1, 20__

Redemption Date

Principal Amount

†Final Maturity

At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds of such maturity equal to the sinking fund installments of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any 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 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 20___, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any date, 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 from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. If less than all Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or 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 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.

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 Refunding Bonds and Future Bonds on the terms and conditions specified in the Indenture.

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

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

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

City Secretary, City of Hutto, Texas

Mayor, City of Hutto, 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 a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

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 and address, including zip code, of Transferee.)

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

Dated: _____

Signature Guaranteed by:

Authorized Signatory

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

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

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) the Initial Bond shall be numbered T-1; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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Section 5.3. CUSIP Registration.

The City may secure identification numbers through CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The City prohibits any Bond to be issued in a denomination of less than \$25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$125,000, and any attempt to accomplish either of the foregoing shall be void and of no effect, except as provided in Section 4.5 hereof. 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 and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. Legal Opinion.

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

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

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund; and

(vii) Administrative Fund.

(b) Creation of Accounts and Subaccounts.

Fund:

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

(A) Principal and Interest Account; and

(B) Capitalized Interest Account.

Reserve Fund:

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

(A) Reserve Account; and

(B) Delinquency & Prepayment Reserve Account.

Project Fund:

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

(A) Improvement Account; and

(B) Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

(c) Each Fund, each Account and each Subaccount 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 Similarly Secured. Amounts on deposit in the Funds, Accounts and Subaccounts shall be used solely for the purposes set forth herein.

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

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

Section 6.2. Initial Deposits to Funds and Accounts.

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

- (i) to the Reserve Account of the Reserve Fund \$_____ which is equal to the initial Reserve Account Requirement;
- (ii) to the Costs of Issuance Account of the Project Fund: \$_____;
- (ii) to the Improvement Account of the Project Fund: \$_____;
- (iii) to the Capitalized Interest Account of the Bond Fund: \$_____; and
- (iv) to the Administrative Fund: \$_____.

Section 6.3. Pledged Revenue Fund.

(a) Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues, as set forth in the Service and Assessment Plan. Specifically, the Trustee shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount

sufficient to pay debt service on the Bonds Similarly Secured next coming due, (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 pay other Actual Costs of the Improvement Area #1 Authorized Improvements, and (iv) fourth to pay other costs permitted by the PID Act. Notwithstanding the foregoing, the Additional Interest of the Annual Installments shall only be utilized for the purposes set forth in Section 6.7(b) hereof and, on each March 1, beginning March 1, 2026, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments confirmed by the City pursuant to a City Certificate, will be deposited into the Delinquency & Prepayment Reserve Account and/or the Redemption Fund, as applicable.

(b) From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account of the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account 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 Similarly Secured on the next Interest Payment Date.

(c) The Trustee shall transfer the amounts determined in writing by the City as Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(d) Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Reserve Fund to restore any transfers from the Reserve Fund made to which the Foreclosure Proceeds relate, second, to replenish the Delinquency and Prepayment Reserve Requirement, and third, to the Redemption Fund.

(e) After satisfaction of the requirement to provide for the payment of the principal of and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Improvement Area #1 Assessments may be used under the PID Act. The Trustee may rely upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Section 6.4. **Bond Fund.**

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds Similarly Secured, less any amount to be used to pay interest on the Bonds Similarly Secured 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. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (a) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.

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

<u>Date</u>	<u>Amount</u>
September 1, 2025	_____

Any amounts on deposit to the Capitalized Interest Account of the Bond Fund after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Account of the Project Fund, or if the Improvement Account of the Project Fund has been closed as provided in Section 6.5(e) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem the Bonds, and the Capitalized Interest Account of the Bond Fund shall be closed.

Section 6.5. Project Fund.

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

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. Each such City Certificate shall include a list of the payees and the payments (not to exceed) to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions though given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) Except as provided in Section 6.5(d) and (f), money on deposit in the Improvement Account shall be used solely to pay Actual Costs provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Account in reliance upon a Certification for Payment approved by the City.

(d) If the City Representative determines in the City Representative's reasonable discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1 Projects such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall, after providing the Developer with thirty (30) days notice of such determination, file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

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

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

(g) Upon the Trustee's receipt of a written 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 first to another Account or Subaccount in the Project Fund and used to pay Actual Costs of the Improvement Area #1 Projects then second to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.

(a) The City agrees with the Owners of the Bonds Similarly Secured to accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the

Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

(b) Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, commencing March 1, 2026, and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. Once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV provided, however, that at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer.

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

(d) In the event of an extraordinary optional redemption of Bonds Similarly Secured pursuant to Section 4.4, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds Similarly Secured to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency & Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

(e) Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4, unless prior to the next Interest

Payment Date, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Project Fund to pay Actual Costs of the Improvement Area #1 Projects if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(e-1) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall transfer such excess pursuant to Section 6.7(b) hereof.

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

(g) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Delinquency & Prepayment Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds Similarly Secured.

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

(i) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount of all Outstanding Bonds Similarly Secured on the next date the Bonds Similarly Secured may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds Similarly Secured as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

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

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

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

Section 6.9. Administrative Fund.

(a) Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Improvement Area #1 Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with Section 9.6. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account, other than the Reserve Account, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Certificate shall be a certification that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence and the Trustee shall not be responsible for determining such requirements. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or

Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold, in order to make the disbursements required or permitted by this Indenture, to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee shall invest and re-invest cash balances in the Wilmington U.S. Government Money Market Fund – Institutional Share Class, CUSIP No. 97181C605, or other money market mutual funds that are rated in either of the two highest categories by a rating agency, including funds for which the Trustee and/or its affiliates provide investment advisory or other management services, until directed otherwise by the City Certificate.

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

(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 may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. The Trustee shall not incur any liability for losses (including depreciation) arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality of any investments and shall have no discretion for investing funds or advising any parties on investing funds. The Trustee is not providing investment supervision, recommendation, or advice in acting pursuant to the provisions hereof.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatale Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Certificate, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatale Arbitrage owed by the City. The City Certificate shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Improvement Area #1 Assessments.

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

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

(a) For so long as any Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the Financing Agreement or Reimbursement Agreement to reimburse it for its funds it has contributed to pay Actual Costs of the Improvement Area #1 Authorized Improvements, the City covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Improvement Area #1 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Improvement Area #1 Assessments.

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

(c) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and

interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Improvement Area #1 Assessments or the corresponding property.

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

Section 7.3. Against Encumbrances.

(a) The City shall not create and shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds Similarly Secured, or any Refunding Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

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

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any Bonds Similarly Secured are Outstanding, it will keep and maintain a proper and complete system of records and accounts pertaining to the Improvement Area #1 Assessments. The Trustee and holder or holders of any Bonds Similarly Secured or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.

(a) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private

business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, for a period of 90 days or less until such proceeds are needed for the purpose for which the Bonds is issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code;

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds has been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and,

(9) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code.

(b) In order to facilitate compliance with the above covenant (a)(8), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the Registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor or Mayor Pro-Tem to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Actual Costs of the Improvement Area #1 Authorized Improvements on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Improvement Area #1 Authorized Improvements are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the

sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds is retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. Liability of City.

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds Similarly Secured or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds Similarly Secured or other obligations relating to the District, other than as specifically provided for in this Indenture.

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

(c) In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

(d) No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (collectively, the "*Bond Documents*"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Trust Estate) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Trust Estate. 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 Similarly Secured by mandamus or other proceeding at law or in equity.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other independent person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

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

ARTICLE IX

THE TRUSTEE

Section 9.1. **Acceptance of Trust; Trustee as Registrar and Paying Agent.**

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds Similarly Secured agree. The Trustee undertakes to perform such duties and only such duties as are specifically and expressly set forth herein. No implied covenants or obligations shall be read into this Indenture against the Trustee. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except in connection with its performance of such duties..

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

Section 9.2. **Trustee Entitled to Indemnity.**

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own gross negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making scheduled debt service payments prior to the occurrence of a default, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers, without indemnity, and in such case the Trustee may make transfers from the Administrative Fund to pay all fees, costs, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder on amounts held within the Administrative Fund.

Section 9.3. **Responsibilities of the Trustee.**

(a) The recitals contained in this Indenture and in the Bonds Similarly Secured shall be taken as the statements of the City and the Trustee assumes no responsibility for and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds Similarly Secured or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds Similarly Secured for value; (ii) the application

of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; or (v) any loss suffered in connection with any investment of funds.

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

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for such losses, damages, or expenses which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's own gross negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special, punitive or consequential loss or damages 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, in connection with or arising from this Indenture for the existence, furnishing or use of the Improvement Area #1 Project. If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and 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.

(d) The Trustee shall not be liable for any action taken, or errors of judgment made in good faith by any one of its officers, agents, or employees unless it shall be established that the Trustee was grossly negligent in ascertaining the pertinent facts.

(e) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured 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.

(f) 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 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 at least Quarter in Interest of the Bonds Similarly Secured at that time. The Trustee may assume conclusively that there is no Event of Default, except as noted above.

(g) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of

the Bonds Similarly Secured.

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

(i) The Trustee may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care.

(j) 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, the Developer, or any of their directors, members, officers, agents, affiliates or employees, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such 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.

(k) In the event that any of the Trust Estate 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 the 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.

(l) 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; it being understood that the Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances.

Section 9.4. Property Held in Trust.

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

Section 9.5. Trustee Protected in Relying on Certain Documents.

(a) The Trustee, at the expense of the City, request, conclusively rely and shall be protected in acting or refraining from acting upon any order, judgment, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, debenture, note, or other evidence of indebtedness, resolution, direction, report, or other document or instrument provided to the Trustee in accordance with the terms of this Indenture that it shall believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, 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, the Trustee may, at the expense of the City, consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, 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 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 be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Certificate shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

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

Section 9.6. Compensation.

The City hereby agrees to compensate the Trustee, from the amount collected each year for Annual Collection Costs and in the manner set forth in this section, for the Trustee's services as Trustee and as Paying Agent/Registrar.

Unless otherwise provided by contract with the Trustee, and subject to the limitations set forth above, the Trustee shall transfer from the Administrative Fund, from time to time, reasonable

compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with 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, which, with respect to ordinary fees and expenses incurred prior to an Event of Default hereunder, shall be transferred pursuant to a City Certificate and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Certificate, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund prior to any Bonds Similarly Secured Outstanding. Following an Event of Default, the foregoing limitation on expenses shall not apply, however any such fees or expenses must be reasonable. 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 and adequate indemnity against such risk 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, and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder.

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 for such extraordinary services and any services or work performed by the 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. The right of the Trustee to fees, expense, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds Similarly Secured and may join in any action that any Owner of Bonds Similarly Secured may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the holders of a Quarter in Interest of the Bonds Similarly Secured.

Section 9.8. Resignation of Trustee.

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

resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. Removal of Trustee.

The Trustee may be removed by giving not fewer than 30 days' notice, specifying the date when such removal shall take effect at any time by (i) the Owners of at least a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate principal amount of Bonds Similarly Secured then Outstanding.

Section 9.10. Successor Trustee.

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

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds Similarly Secured, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds Similarly Secured 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 Similarly Secured.

(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 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds Similarly Secured may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the

court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

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

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

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the 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 and upon receipt of its outstanding charges, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and, upon the receipt of payment of any outstanding charges, shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking

association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Trustee To File Continuation Statements.

The City will cause to be filed all appropriate financing statements. If necessary, the Trustee, as directed in writing by the City, shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest and rights 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. Unless otherwise notified in writing by the City or an Owner, the Trustee may conclusively rely upon the initial financing statements in filing any continuation statements hereunder. The Trustee shall have no responsibility to file financing statements or continuation statements other than to file continuation statements that are delivered to it.

If applicable, but immediately upon its receipt thereof, the City, or an authorized third-party representative thereof, shall deliver to the Trustee file-stamped copies of each UCC initial financing statement recorded in the jurisdictions applicable thereto.

The Trustee's UCC filing requirements are limited to those responsibilities as set forth in this Section 9.13.

Section 9.14 Offering Documentation.

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

Section 9.15 Expenditure of Funds and Risk.

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

Section 9.16 Environmental Hazards.

The Trustee may inform any Owner of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and in such event, no fiduciary duty exists which imposes any obligation for further action with respect to the Trust

Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

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

Section 9.17. Accounts, Periodic Reports and Certificates.

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

Section 9.18. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds Similarly Secured.

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 Similarly Secured may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds Similarly Secured, or with the written consent without a meeting, of the Owners of the Bonds Similarly Secured of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time and City approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured 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 Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, 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 Similarly Secured (except as otherwise permitted by Applicable Laws and this Indenture), or (iii) reduce the percentage of Bonds Similarly Secured required for the amendment hereof. Any such amendment shall not modify any of the rights, immunities or obligations of the Trustee without its prior written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of qualified counsel addressed and delivered to the Trustee stating that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (b) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds Similarly Secured, and (c) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

(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 Applicable Laws, 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 Similarly Secured in any material respect;

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

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

(c) Notwithstanding anything to the contrary herein, no Supplemental Indenture entered into in accordance with Section 10.1(b) above shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment will not adversely affect the: (i) interests of the Owners in any material respect, or (ii) exclusion of interest on any Bond Similarly Secured 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 Similarly Secured. 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 rules and regulations for the conduct of said meeting.

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

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

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

(c) After the Owners of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the 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 Similarly Secured and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds Similarly Secured at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. Procedure for Amendment Not Requiring Owner Consent.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a notice stating that the Supplemental

Indenture does not require Owner consent, shall be mailed by first class mail by the Trustee to each Owner of Bonds Similarly Secured, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds Similarly Secured as of the date of such execution and delivery.

Section 10.5. Effect of Supplemental Indenture.

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

Section 10.6. Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments.

The City may determine that Bonds Similarly Secured issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bonds Similarly Secured Outstanding at such effective date and presentation of his Bond Similarly Secured for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond Similarly Secured. The City may determine that new Bonds Similarly Secured, 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 Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.7. Amendatory Endorsement of Bonds Similarly Secured.

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

Section 10.8. Waiver of Default.

Subject to Section 10.1, with the written consent of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

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

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

(ii) The failure of the City to enforce the collection of the Improvement Area #1 Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2;

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture other than a default under (i) above or (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding; and

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

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding hereunder and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that any action for money damages against the City shall be limited to recovery from the Trust Estate may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SIMILARLY SECURED SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) 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. The Trustee shall sell Trust Estate assets, according to the appraised value thereof, beginning with the asset of the highest value and continuing such sales in the order of next succeeding most valuable asset until satisfaction of debts pertaining to the outstanding Bonds Similarly Secured. 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 judgment of the Trustee, proper for the purpose which may be designated in such request.

(d) In an Event of Default shall have occurred and be continuing, the City, upon demand of the Trustee, shall surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers, and accounts of the City pertaining thereto, and including the rights and the position of the City, and to hold, operate, and manage the same, and from time to time make all needed repairs and improvements, as well as set up proper reserve for the payment of all proper costs and expenses, holding and managing the same, including (i) reasonable

compensation to the Trustee, its agents, and counsel, (ii) any reasonable charges of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this of Indenture, and (iv) all expenses of such repairs and improvements. After payment in full of the foregoing, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns.

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 actual knowledge thereof or has been notified in writing as provided in Section 9.3(f), or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds Similarly Secured.

(c) In case the Trustee or any Owners of Bonds Similarly Secured 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 of Bonds Similarly Secured, then and in every such case the City, the Trustee and the Owners of Bonds Similarly Secured shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

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, liabilities, advances and

expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

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

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

Within thirty (30) days of receipt of such good and available funds, the Trustee may fix a record date and a payment date for any payment to be made to Owners of Bonds Similarly Secured pursuant to this Section 11.4.

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

(c) The restoration of the 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.

The Trustee may, with the prior written consent of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time, waive an Event of Default occurring hereunder. No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds Similarly Secured.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds Similarly Secured may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds Similarly Secured shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

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

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

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of any Bond Similarly Secured shall bind all future Owners of the same Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

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

Section 11.9. Exclusion of Bonds Similarly Secured.

Bonds Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for any purpose. The City shall promptly deliver any such Bonds Similarly Secured to the Trustee for cancellation.

Section 11.10. Remedies Not Exclusive.

Subject to Section 11.2, 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 a Quarter in Interest of the Bonds Similarly Secured shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method and place of conducting any proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with law and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction. The Trustee shall be entitled to request and receive such directions in writing and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with such written direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Pledged Revenues.

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

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Improvement Area #1 Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. General.

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

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

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

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

Section 13.2. Other Obligations or Other Liens; Refunding Bonds; Future Bonds.

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

(b) Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be done or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or

demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

(c) The City reserves the right to issue Future Bonds for any purpose permitted by the PID Act, pursuant to a separate indenture, for any Future Improvement Areas subject to the conditions of the Financing Agreement and the Reimbursement Agreement.

(d) Notwithstanding anything to the contrary herein no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds is scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 1 and September 1 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 dealings, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds Similarly Secured.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

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 Similarly Secured that are secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the 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 Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds Similarly Secured, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the

Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds Similarly Secured has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder as directed in writing by the City.

Section 14.3. Bonds Similarly Secured Deemed Paid.

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

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

ARTICLE XV

MISCELLANEOUS

Section 15.1. **Benefits of Indenture Limited to Parties.**

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

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

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. **Execution of Documents and Proof of Ownership by Owners.**

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

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

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

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

Section 15.4. No Waiver of Personal Liability.

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

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

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, or email, and addressed as follows:

If to the City

City of Hutto, Texas
500 W. Live Oak St.
Hutto, Texas 78634
Attn: City Manager
Telephone: 512-759-4031
E-Mail: james.earp@huttoTX.gov

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
Telephone: 714-384-4174
E-Mail: pmerritt@wilmingtontrust.com

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

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

(d) The Trustee shall mail to each Owner of a Bond Similarly Secured notice of (1) any substitution of the Trustee; or (2) the redemption or defeasance of all Outstanding Bonds Similarly Secured.

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

Section 15.7. Applicable Laws; Jurisdiction.

THIS INDENTURE SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS AND THE OBLIGATIONS OF THE PARTIES HERETO ARE AND SHALL BE PERFORMABLE IN THE COUNTY WHEREIN THE PROPERTY IS LOCATED, AND IF LEGAL ACTION IS NECESSARY BY EITHER PARTY WITH RESPECT TO THE ENFORCEMENT OF ANY TERM OF THIS INDENTURE, EXCLUSIVE VENUE FOR SAME SHALL LIE IN THE COURTS OF WILLIAMSON COUNTY, TEXAS. BY EXECUTING THIS INDENTURE, EACH PARTY HERETO EXPRESSLY (a) CONSENTS AND SUBMITS TO PERSONAL JURISDICTION AND VENUE CONSISTENT WITH THE PREVIOUS SENTENCE, (b) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL CLAIMS AND DEFENSES THAT SUCH JURISDICTION AND VENUE ARE NOT PROPER OR CONVENIENT, AND (c) WAIVES THE RIGHT TO TRIAL BY JURY, (d) CONSENTS TO THE SERVICE OF PROCESS IN ANY MANNER AUTHORIZED BY TEXAS LAW.

Section 15.8. Payment on Business Day.

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

Section 15.9. Counterparts.

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

Section 15.10. Boycotts and Foreign Business Engagements.

(a) The Trustee 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 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. Notwithstanding anything in this Indenture to the contrary, the Issuer reserves and retains all rights and remedies at law and in equity for pursuit and recovery of damages, if any.

(b) 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.

(c) 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.

(d) 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.

(e) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

Section 15.12. **Electronic Storage.**

The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

[Remainder of page left blank intentionally]

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

CITY OF HUTTO, TEXAS

By: _____
Mike Snyder, Mayor

Attest:

Laura Hallmark, City Secretary

(CITY SEAL)

Wilmington Trust, National Association,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

**DESCRIPTION OF THE PROPERTY WITHIN
THE PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT**

EXHIBIT B

FORM OF CERTIFICATION FOR PAYMENT

(Certification for Payment – Prairie Winds)

CERTIFICATION FOR PAYMENT FORM NO.

The undersigned _____ (the "**Construction Manager**") requests payment from [the applicable account of the Project Fund] [the Operating Account] from the City of Hutto (the "**City**") in the amount of \$ _____ for labor, design, materials, fees, and/or other general costs related to the acquisition or construction of certain Authorized Improvements providing a special benefit to property within the Prairie Winds Public Improvement District (the "**District**"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Prairie Winds Public Improvement District Financing Agreement between the Owner and the City (the "**PID Financing Agreement**").

In connection with the above referenced payment, the Construction Manager represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Certification for Payment Form No. _____ on behalf of the Construction Manager, and is knowledgeable as to the matters set forth herein.
2. The work described in Attachment A has been completed in the percentages stated therein.
3. The Certification for Payment for the below referenced Authorized Improvements has not been the subject of any prior Certification for Payment submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
4. The amounts listed for Actual Costs of the Authorized Improvements, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Authorized Improvements, and such costs (i) are in compliance with the PID Financing Agreement, and (ii) are consistent with the Service and Assessment Plan.
5. The Construction Manager is in compliance with the terms and provisions of the PID Financing Agreement and the Service and Assessment Plan.
6. The Construction Manager has timely paid all ad valorem taxes and annual installments of Assessments it owes or an entity under common control with the Construction

Manager owes, located in the District and has no outstanding delinquencies for such taxes and assessments.

7. The work with respect to the Authorized Improvements referenced below (or its Segment) has been completed, and the City has inspected [and accepted] such Authorized Improvements (or its completed Segment). ***[Include bracketed language if final progress payment for such Authorized Improvement]***

8. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or Segment thereof) has been completed and the City has accepted such Authorized Improvements (or Segment thereof). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or Segment thereof).

9. [Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.]***[Include bracketed language if final progress payment for such Authorized Improvement]***

10. Attached hereto as Attachment C are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.

11. Also attached hereto as Attachment D are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to the District.

Pursuant to the PID Financing Agreement, after receiving this Certification for Payment, the City has inspected [and accepted] the Completed Authorized Improvements and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations. ***[Include bracketed language if final progress payment for such Authorized Improvement]***

(Signature pages follow)

I hereby declare that the above representations and warranties are true and correct.

**Lennar Homes of Texas Land and Construction,
a Texas limited partnership, as
CONSTRUCTION MANAGER**

By: _____
Name: _____
Title: _____

JOINDER OF PROJECT ENGINEER

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

By:

Name: _____

Title: _____

APPROVAL OF CERTIFICATION FOR PAYMENT

The City is in receipt of the attached Certification for Payment Form No. _____, acknowledges the Certification for Payment, acknowledges that the Authorized Improvements (or its Segment) covered by the certificate have been inspected by the City, and otherwise finds the Certification for Payment Form No. _____ to be in order. After reviewing the Certification for Payment Form, the City approves the Certification for Payment Form No. _____ and shall direct the Trustee to make payment from the appropriate account of the Project Fund to the Construction Manager or to any person designated by the Construction Manager.

CITY OF HUTTO, TEXAS

By: _____
Name: _____
Title: _____

Date: _____

ATTACHMENT A

TO CERTIFICATION FOR PAYMENT FORM NO. _____

<u>Segment</u>	<u>Description of Work Completed under this Certification for Payment</u>	<u>Actual Costs</u>
----------------	---	---------------------

ATTACHMENT B

TO CERTIFICATION FOR PAYMENT FORM NO. _____

[Include Attachment B bracketed if final progress payment for such Authorized Improvement]

[bills paid affidavit and release of liens - attached]

ATTACHMENT C

TO CERTIFICATION FOR PAYMENT FORM NO. ____

INVOICE LEDGER

Invoice Ledger								
Entity: Lennar Homes of Texas Land and Construction, Ltd. Project: Prairie Winds Public Improvement District								
Certification of Payment Form No.	Date	Vendor	Invoice #	Invoice Amount	Requested Amount	Approved Amount	Budget Sub- Category	Budget Description

[INVOICES AND/OR RECEIPTS - ATTACHED]

ATTACHMENT D

TO CERTIFICATION FOR PAYMENT FORM NO. _____

[lender consents or approvals - attached]

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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Prairie Winds Public Improvement District

PRELIMINARY SERVICE AND ASSESSMENT PLAN
FEBRUARY 6, 2025



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INTRODUCTION

Capitalized terms used in this 2025 Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this 2025 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” or an “Exhibit” shall be a reference to a Section of this 2025 Service and Assessment Plan or an Exhibit attached to and made a part of this 2025 Service and Assessment Plan for all purposes.

On July 6, 2023 the City Council passed and approved Resolution No. R-2023-140 authorizing the creation of the Lidell Walker Public Improvement District in accordance with the PID Act, which authorization was effective immediately pursuant to the terms of the PID Act.

On October 21, 2024 the City, upon written request from the Owner, formally changed the name of the District to “Prairie Winds Public Improvement District.”

On _____, the City Council passed and approved Ordinance No. _____ which approved the levy of Improvement Area #1 Assessments for Improvement Area #1 Assessed Property, the issuance of Improvement Area #1 Bonds and the Improvement Area #1 Assessment Roll.

The purpose of the District is to finance the Actual Costs of the Authorized Improvements for the benefit of property within the District. The District contains approximately 263.021 acres located within the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted on the map in **Exhibit B-1**.

The PID Act requires a Service Plan that covers a period of at least five years, defines the annual indebtedness and projected cost of the Authorized Improvements and includes 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 form of notice is attached as **Exhibit M**.

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

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

SECTION I: DEFINITIONS

“2025 Service and Assessment Plan” means this 2025 Service and Assessment Plan adopted by the City by Ordinance No. on _____, which Ordinance also approved the levy of the Improvement Area #1 Assessments for Improvement Area #1 Assessed Property, the issuance of Improvement Area #1 Bonds and the Improvement Area #1 Assessment Roll.

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner: (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City, including the acquisition of necessary easements and other right-of-way; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities, including a 4% construction management fee. Actual Costs shall not include general contractor’s fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

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

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

“Administrative Reserves” means the estimated Annual Collection Costs associated with the first year of the District.

“Administrator” means the City or the person or independent firm designated by the City who shall have the responsibility provided in this 2025 Service and Assessment Plan, the Indenture, or any other agreement or document approved by the City related to the duties and responsibility of the administration of the District.

“Annual Collection Costs” means the actual or budgeted costs and expenses relating to collecting the Annual Installments, including, but not limited to, costs and expenses for: (1) the

Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this 2025 Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) the paying agent/registrars and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

“Annual Service Plan Update” means an update to this 2025 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 a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Assessment Ordinance” means any ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on Assessed Property within the District, as shown on any Assessment Roll.

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

“Assessment Roll” means any assessment roll for the Assessed Property within the District, including the Improvement Area #1 Assessment Roll included in this 2025 Service and Assessment Plan as **Exhibit F**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the levy of an Assessment, the issuance of PID Bonds, or in connection with any Annual Service Plan Update.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, including Improvement Area #1 Improvements, Major Improvements, Administrative Reserves and Bond Issuance Costs as more specifically 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, City costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

“City” means the City of Hutto, Texas.

“City Council” means the governing body of the City.

“County” means Williamson County, Texas.

“Delinquent Collection Costs” means costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this 2025 Service and Assessment Plan including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“District” means the Prairie Winds Public Improvement District, consisting of the approximately 263.021 acres within the City, as described by metes and bounds on **Exhibit A-1** and by the map on **Exhibit B-1**.

“Estimated Buildout Value” means the estimated value of an Assessed Property after completion of the vertical improvements (e.g. house, office building, etc.), and shall be determined by the Administrator 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 information that may impact value.

“Future Improvement Area” means all area within the District, save and except Improvement Area #1 as depicted on **Exhibit B-2**.

“Improvement Area” means specifically defined and designated portions of the District that are developed in phases, including Improvement Area #1 and each area within the Future Improvement Area that is specifically defined and designated as a phase of development.

“Improvement Area #1” means approximately 65.636 acres located within the District, as shown on **Exhibit B-2** and more specifically described in **Exhibit A-2**, and comprising development phase 1 and phase 2 of the District.

“Improvement Area #1 Annual Installment” means the annual installment payment on the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

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

“Improvement Area #1 Assessment” means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #1 Assessment Roll” means the Assessment Roll for Improvement Area #1 attached as **Exhibit F**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Improvement Area #1 Authorized Improvements” means the Improvement Area #1 Projects, Administrative Reserves, and Bond Issuance Costs relating to the Improvement Area #1 Bonds as shown on **Exhibit C**.

“Improvement Area #1 Bonds” means those certain “City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2025 (Prairie Winds Public Improvement District Improvement Area #1 Project)”, that are secured by Improvement Area #1 Assessments.

“Improvement Area #1 Improvements” means those Public Improvements that only benefit Improvement Area #1. Improvement Area #1 Improvements are depicted on **Exhibit I-1**.

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

“Improvement Area #1 Remainder Parcel” means all of the Assessed Property area within Improvement Area #1, save and except the area within the Phase 1 Plat. Until a plat has been recorded within the Improvement Area #1 Remainder Parcel, the allocable share of the Improvement Area #1 Annual Installment will be allocated to each property ID within the

Improvement Area #1 Remainder Parcel based on the Williamson Central Appraisal District acreage for billing purposes only.

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

“Landowner Agreement” means a landowner agreement between the City and Owner in which Owner acknowledges (i) that the applicable Authorized Improvements provide a benefit to the applicable Assessed Property by the Owner and (ii) consents to the imposition of the applicable Assessments levied on the applicable Assessed Property for the Actual Costs associated therewith.

“Lot” means, for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. lot size, home product, 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 determined by the Administrator and confirmed by the City Council.

“Lot Type 1” means a Lot in Improvement Area #1 designated as such on the Improvement Area #1 Assessment Roll, marketed or sold to homebuilders as a 45’ lot. The location of each Lot designated as a Lot Type 1 is shown on **Exhibit L**.

“Lot Type 2” means a Lot in Improvement Area #1 designated as such on the Improvement Area #1 Assessment Roll, marketed or sold to homebuilders as a detached condo or 50’ Lot. The location of each Lot designated as a Lot Type 2 is shown on **Exhibit L**.

“Lot Type 3” means a Lot in Improvement Area #1 designated as such on the Improvement Area #1 Assessment Roll, marketed or sold to homebuilders as a 60’ Lot. The location of each Lot designated as a Lot Type 3 is shown on **Exhibit L**.

“Major Improvements” mean the Authorized Improvements that benefit the entire District and are allocated pro rata to Improvement Area #1 and the Future Improvement Area based on Estimated Buildout Value of Improvement Area #1 and the Future Improvement Area at the time of this 2025 Service and Assessment Plan as shown on **Exhibit K**. The Major Improvements are depicted on **Exhibit I-2**.

“Maximum Assessment” means for each Lot Type within Improvement Area #1, at the time a new Lot is created by plat an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) the amount shown on **Exhibit H**. The Maximum Assessment will be reduced annually by the principal portion of the Annual Installment.

“Non-Benefitted Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements.

“Notice of Assessment Termination” means a recorded document evidencing the termination of an Assessment, a form of which is attached as **Exhibit J**.

“Owner(s)” means GRBK Edgewood LLC, a Texas limited liability company, and Meritage Homes of Texas, LLC, an Arizona limited liability company, and their successors and assigns.

“Parcel(s)” means a property identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means as determined by the City.

“Phase 1 Plat” means the Lidell Walker Phase 1 plat that was recorded with the County on November 22, 2024. This plat is shown on **Exhibit B-3**.

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

“PID Bonds” means bonds issued by the City that are secured by Assessments levied on Assessed Property within the District, including, but not limited to the Improvement Area #1 Bonds.

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

“Public Improvements” means improvements authorized by Section 372.003 of the PID Act as more specifically described in **Section III** and depicted on **Exhibit I-1** and **Exhibit I-2**.

“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**.

“Tax Parcel” means a Parcel that has been assigned a tax map identification number by the Williamson Central Appraisal District.

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

SECTION II: THE DISTRICT

The District includes approximately 263.021 acres located within the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted on the map on **Exhibit B-1**. Development of the District is anticipated to include approximately 1,093 single-family homes.

Improvement Area #1 includes approximately 65.636 acres as more particularly described by metes and bounds on **Exhibit A-2** and depicted on **Exhibit B-2**. Development of Improvement Area #1 is anticipated to contain approximately 280 single-family homes.

The Future Improvement Area includes approximately 197.385 acres depicted on **Exhibit B-2**. Development of the Future Improvement Area is anticipated to contain approximately 813 single-family homes.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Owner and its engineer and on review by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Public Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City unless otherwise indicated. The budget for the Authorized Improvements, as well as the allocation of the Authorized Improvements, is shown on **Exhibit C**.

A. Major Improvements

▪ *Water*

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing for all water lines located North of Main Hippo Drive. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the Future Improvement Area. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

▪ *Soft Costs*

Improvements include costs related to designing, constructing, installing, financing, land planning, engineering, soil testing, and surveying. Costs also include City fees, construction management, legal fees, consultant fees, contingency, inspection fees, district formation costs, and other PID costs incurred and paid to construct the above-described hard costs.

- *Contingency*

Estimated to be 5% of hard costs.

B. Improvement Area #1 Improvements

- *Roadway*

Primary access to Phase 1 will be via County Road 132. Access to Phase 2 will be provided via Main Hippo Drive and Austin Bayou Drive in the existing Mustang Creek subdivision to the west. Local streets within these phases of the development shall utilize a 55-ft ROW with 30-ft of pavement measured from face of curb to face of curb. Collector streets within these phases of the development shall utilize a 60-ft ROW with 30-ft of pavement measured from face of curb to face of curb. Main Hippo Drive shall utilize a 120-ft ROW with a varying cross section as it transitions from a two-lane road at Mustang Creek to four-lanes divided by a median at the entrance along County Road 133 adjacent to the proposed Flora subdivision. Proposed streets have been designed to urban standards consisting of concrete curb and gutter and will be designed with a flexible pavement section consisting of prepared subgrade, crushed limestone base, and hot mix asphaltic concrete (HMAC) pavement surface. The proposed street network meets City of Hutto horizontal and vertical geometric design criteria. Five-foot sidewalks with ADA ramps will be constructed along all roads on both sides of the streets and will be constructed following standard specifications and details. Signage, valley gutters, excavation, embankment, clear and grub, and testing are also included within these improvements.

- *Water*

Phase 1 water service will be provided via connections to an existing 12- inch Jonah SUD water line at the County Road 132 & Bosque Drive intersection. Phase 2 water service will be provided by connection to an existing 30-inch Jonah SUD water line along FM 1660, 16-inch connection at Flora Boulevard, 12-inch connection at Main Hippo and 8-inch connection at Austin Bayou Drive. Water will be provided to the individual lots by proposed 8-inch, 12-inch, and 16-inch water lines located within the public ROW and are sized to meet Jonah SUD design requirements.

- *Wastewater*

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

- *Drainage*

Drainage improvements include trench excavation and embankment, trench safety, piping, manholes, junction boxes, inlets, headwalls, channels, testing, related earthwork, and erosion controls.

- *Soft Costs*

Improvements include costs related to designing, constructing, installing, financing, land planning, engineering, soil testing, and surveying. Costs also include City fees, construction management, legal fees, consultant fees, contingency, inspection fees, district formation costs, and other PID costs incurred and paid to construct the above-described hard costs.

- *Contingency*

Estimated to be 5% of hard costs.

C. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount required under an applicable Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the capitalized interest payments on PID Bonds as reflected in an applicable Indenture.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds plus a fee for underwriter's counsel.

- *Cost of Issuance*

Includes costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, County costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

D. Administrative Reserves

- *First Year Annual Collection Costs*

The estimated Annual Collection Costs associated with the first year of the District.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan shall be updated in each Annual Service Plan Update. **Exhibit D** summarizes the Service Plan for the District.

Exhibit E summarizes the sources and uses of funds required to construct the Authorized Improvements. The sources and uses of funds shown on **Exhibit E** shall be updated in each Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City 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, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this 2025 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 exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners and developers of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and on review by the City staff and by third-party consultants retained by the City, has determined that Improvement Area #1 Authorized Improvements shall be as follows:

- Major Improvements shall be allocated pro rata between the Improvement Area #1

Assessed Property and the Future Improvement Area based on Estimated Buildout Value, as shown on **Exhibit K**.

- The Improvement Area #1 Improvements are allocated entirely to the Improvement Area #1 Assessed Property.
- Bond Issuance Costs and Administrative Reserves shall be allocated entirely to the Assessed Property securing the applicable PID Bond.

B. Assessments

Improvement Area #1 Assessments were levied on the Improvement Area #1 Assessed Property according to the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit G**, subject to revisions made during any Annual Service Plan Update.

C. Findings of Special Benefit

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

- *Improvement Area #1*
 1. The costs of Improvement Area #1 Authorized Improvements equal \$17,391,599 as shown on **Exhibit C**; and
 2. The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements greater than the Actual Costs of the Improvement Area #1 Authorized Improvements allocated to Improvement Area #1 Assessed Property; and
 3. The Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessments levied for the Improvement Area #1 Authorized Improvements, which equal \$10,123,000 as shown on the Improvement Area #1 Assessment Roll, attached as **Exhibit F**; and
 4. The special benefit (\$17,391,599) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Authorized Improvements allocated to Improvement Area #1 Assessed Property is greater than the amount of Improvement Area #1 Assessments (\$10,123,000) levied on the Improvement Area #1 Assessed Property.
 5. At the time the City Council approved the Assessment Ordinance levying Assessments on Improvement Area #1, the Owner owned 100% of the Improvement Area #1 Assessed Property. In a Landowner Agreement with the City, the Owner acknowledged that the Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Assessed Property and consented to the

imposition of the Improvement Area #1 Assessments to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, and (2) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for on a pro rata basis by each Assessed Property based on the amount of outstanding Assessment remaining on the Assessed Property. 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 in Annual Service Plan Updates based on Actual Costs incurred.

E. Interest

The interest rate on Improvement Area #1 Assessments levied on the Improvement Area #1 Assessed Property may exceed the interest rate on the Improvement Area #1 Bonds by the Additional Interest Rate. Interest at the rate of the Improvement Area #1 Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

The calculation of the Estimated Buildout Value of an Assessed Property shall be performed by the Administrator based on information from the Owner, 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.

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 an update to this 2025 Service and Assessment Plan 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 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 Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact value. The calculation of the Estimated Buildout Value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

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

exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this 2025 Service and Assessment Plan approved by the City Council.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated, 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.

4. Determination of Maximum Assessment for new Lot Types

If a Lot is created by plat that cannot be classified as one of the Lot Types shown on **Exhibit L**, a new Lot Type shall be created. The Maximum Assessment for the new Lot Type shall be calculated so that the average Annual Installment does not exceed an equivalent tax rate of \$3.10, inclusive of all overlapping taxes for local taxing entities.

B. True-up of Assessments if Maximum Assessment Exceeded

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the landowner shall partially prepay the Assessment for each Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments, the owner transferring the Assessed Property shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefitted Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, any other governmental entity or utility provider, or an owners association for use as internal roads, utilities, parks, drainage and detention facilities, and other similar improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel.

If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment for such Parcel in an amount sufficient to reduce the Assessment to the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, the Assessments shall be reduced on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs. The Assessments shall not, however, be reduced to an amount less than the 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 the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Interest costs from the date of prepayment to the date of redemption of the applicable PID Bonds, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment is paid in full, with interest to the date of Prepayment: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit 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; and (4) the City shall provide the owner with a recordable Notice of Assessment Termination, a form of which is attached as **Exhibit J**.

If an Assessment is paid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit 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 and corresponding Annual Installments shall be reduced to the extent of the Prepayment made.

F. Prepayment as a Result of Eminent Domain Proceeding or Taking

To the extent permitted by law, the following process shall apply in the event of a Taking (as defined below). If any portion of any Parcel of Assessed Property is taken from an owner as a

result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a “**Taking**”), the portion of the Assessed Property that was taken or transferred (the “**Taken Property**”) shall be reclassified as Non-Benefitted Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property), (the “**Remaining Property**”) following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner will remain liable to pay in Annual Installments, or payable as otherwise provided by this 2025 Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of prepayment, with any remainder credited against the assessment on the Remainder Property.

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres of Remaining Property shall be subject to the \$100 Assessment, (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be \$90.

Notwithstanding the previous paragraphs in this subsection, if the owner notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon

receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit G** shows the projected Annual Installments for Improvement Area #1. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the City Council for its review and approval, with a copy to the Owner contemporaneously therewith, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be reduced by any 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 for 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 the Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year.

SECTION VII: ASSESSMENT ROLLS

The Improvement Area #1 Assessment Roll is attached as **Exhibit F**. The Administrator shall prepare and submit to the City Council, for review and approval, proposed revisions to the Assessment Rolls and Annual Installments for each Parcel within the District 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 2025 Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a public hearing, and within 30 days after closing such hearing, 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 may take such corrective action as is authorized by the PID Act, this 2025 Service and Assessment Plan, the Assessment Ordinance, or the Indenture, or is 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 2025 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 2025 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 2025 Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this 2025 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 2025 Service and Assessment Plan. Interpretations of this 2025 Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners or developers adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public hearing at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

D. Severability

If any provision of this 2025 Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

E. Form of Buyer Disclosure

Per Section 5.014 of the Texas Property Code, as amended, this 2025 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 **Exhibit M**. 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 of this 2025 Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this 2025 Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

LIST OF EXHIBITS

Exhibit A-1	District Legal Description
Exhibit A-2	Improvement Area #1 Legal Description
Exhibit B-1	District Boundary Map
Exhibit B-2	Improvement Area #1 and Future Improvement Area Boundary Map
Exhibit B-3	Phase 1 Plat
Exhibit C	Authorized Improvements
Exhibit D	Service Plan
Exhibit E	Sources and Uses
Exhibit F	Improvement Area #1 Assessment Roll
Exhibit G	Improvement Area #1 Annual Installments
Exhibit H	Maximum Assessment
Exhibit I-1	Map of Improvement Area #1 Improvements
Exhibit I-2	Map of Major Improvements
Exhibit J	Notice of Assessment Termination
Exhibit K	Estimated Buildout Value
Exhibit L	Lot Type Classification Map
Exhibit M	Buyer Disclosures

EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

FIELD NOTES FOR A 263.021 ACRE TRACT OF LAND OUT OF THE JOHN DYKES SURVEY, ABSTRACT NO. 186 AND THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 14.504 ACRE TRACT OF LAND AS CONVEYED TO WMV NORTH HUTTO, LLC BY GENERAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOCUMENT NUMBER 2021135166 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, ALL OF THE CALLED 76.317 ACRE TRACT OF LAND AS CONVEYED TO WMV NORTH HUTTO, LLC BY GENERAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOCUMENT NUMBER 2021135164 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, ALL OF THE CALLED 106.918 ACRE TRACT OF LAND AS CONVEYED TO WMV NORTH HUTTO, LLC BY GENERAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2021135163 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND ALL OF THE CALLED 65.281 ACRE TRACT OF LAND AS CONVEYED TO WMV NORTH HUTTO, LLC BY GENERAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOCUMENT NUMBER 2021135165 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 263.021 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found on the southerly right-of-way line of F.M. 1660 (variable width right-of-way) on the east line of the remaining portion of a called 163.89 acre tract of land as conveyed to Ricky D. Kruger, Brenda K. Sladek and Timothy R. Kruger by Executor's Deed recorded in Document Number 2016121073 of the Official Public Records of Williamson County, Texas, at the northwest corner of the above described WMV North Hutto 14.504 acre tract, for the northwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the southerly right-of-way line of said F.M. 1660 and the northerly line of said WMV North Hutto 14.504 acre tract, N 68°21'24" E a distance of 458.18 feet to a 1/2-inch iron rod found at the west corner of a called 4.64 acre tract of land described as Tract 1 as conveyed to Christopher J. Salisbury and Ashley R. Salisbury by Warranty Deed with Vendor's Lien recorded in Document Number 2012039498 of the Official Public Records of Williamson County, Texas, at the northeast corner of said WMV North Hutto 14.504 acre tract, for the north corner of the herein described tract;

THENCE, departing the southerly right-of-way line of said F.M. 1660 with the west line of said Salisbury 4.64 acre tract and the east line of said WMV North Hutto 14.504 acre tract, S 70°18'11" E a distance of 648.99 feet to a 1/2-inch iron rod found at the southwest corner of said Salisbury 4.64 acre tract, at the northwest corner of a called 1.86 acre tract of land described as Tract 2 as conveyed to Christopher J. Salisbury and Ashley R. Salisbury by said Warranty Deed with Vendor's Lien recorded in Document Number 2012039498 of the Official Public Records of Williamson County, Texas, at an easterly corner of said WMV North Hutto 14.504 acre tract, for an exterior corner of the herein described tract;

THENCE, with the west line of said Salisbury 1.86 acre tract and the east line of said WMV North Hutto 14.504 acre tract, S 23°07'16" E a distance of 346.30 feet to a 1/2-inch iron rod found on the northerly line of said WMV North Hutto 76.317 acre tract, at the southwest corner of said Salisbury 1.86 acre tract, and at the at the southeast corner of said WMV North Hutto 14.504 acre tract, for an interior corner of the herein described tract;

THENCE, with the north line of said WMV North Hutto 76.317 acre tract and the south line of said Salisbury 1.86 acre tract, N 68°20'40" E a distance of 226.35 feet to a 2-inch iron pipe found on the westerly right-of-way line of County Road 133, at the occupied northeast corner of said WMV North Hutto 76.317 acre tract, and at the southeast corner of said Salisbury 1.86 acre tract, for the most easterly northeast corner of the herein described tract;

THENCE, with the westerly right-of-way line of said County Road 133, generally as occupied by farming activities, S 21°04'43" E a distance of 588.64 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°25'30" E a distance of 1,716.65 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°42'11" E, a distance of 1,716.64 feet to a 60D nail found for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°27'07" E, a distance of 657.52 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at the southeast corner said WMV North Hutto 76.317 acre tract, and at the northeast corner of the remaining portion of a called 105.75 acre tract of land as conveyed to Charles Mervin Walker and Grace E. Walker by Warranty Deed recorded in Volume 484, Page 331 of the Deed Records of Williamson County, Texas, for the most easterly southeast corner of the herein described tract;

THENCE, departing the occupied westerly right-of-way line of said County Road 133 with the northerly line of said Walker remainder tract and the southerly line of said WMV North Hutto 76.317 acre tract, S 68°32'53" W a distance of 707.99 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the east line of said WMV North Hutto 106.918 acre tract, at the northwest corner of said Walker remainder tract and at the southwest corner of said WMV North Hutto 76.317 acre tract, for an interior corner of the herein described tract;

THENCE, with the west line of said Walker remainder tract and the east line of said WMV North Hutto 106.918 acre tract, S 21°37'44" E a distance of 1,660.41 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the north right-of-way line of County Road 132 (variable width right-of-way) at the southwest corner of said Walker remainder tract and at the southeast corner of said WMV North Hutto 106.918 acre tract, for the southeast corner of the herein described tract;

THENCE, with the north right-of-way line of said County Road 132 and the south line of said WMV North Hutto 106.918 acre tract, N 82°44'12" W a distance of 867.72 feet to a 1/2-inch iron rod found at the southwest corner of said WMV North Hutto 106.918 acre tract and at the southeast corner of said WMV North Hutto 65.281 acre tract, for an angle point of the herein described tract;

THENCE, with the north right-of-way line of said County Road 132 and the south line of said WMV North Hutto 65.281 acre tract, N 83°08'58" W a distance of 406.40 feet to a 1/2-inch iron rod with a cap stamped "TLS" found at the northeast corner of a fifteen (15') foot right-of-way tract as dedicated by plat of RIVER CROSSING SUBDIVISION PHASE THREE, a subdivision as recorded in Cabinet X, Slides 249-252 of the Plat Records of Williamson County, Texas, at an angle point of said WMV North Hutto 65.281 acre tract, for an angle point of the herein described tract;

THENCE, with the north right-of-way line of said County Road 132 and the south line of said WMV North Hutto 65.281 acre tract, N 82°26'38" W, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found

at the northeast corner of Lot 11, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 15.00 feet, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found at the common north corner of Lot 9 and Lot 10, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 233.17 feet, and continuing on for a total distance of 524.18 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the southwest corner of said WMV North Hutto 65.281 acre tract, and at the southeast corner of MUSTANG CREEK, PHASE 1, a subdivision as recorded in Document Number 2020111349 of the Official Public Records of Williamson County, Texas, for the southwest corner of the herein described tract, from which a 1/2-inch iron rod found on the north line of said RIVER CROSSING SUBDIVISION PHASE THREE subdivision bears N 82°26'38" W a distance of 653.49 feet;

THENCE, departing the north line of said RIVER CROSSING SUBDIVISION PHASE THREE with the west line of a called 107 Acre parent tract as described in Volume 309, Page 269 of the Deed Records of Williamson County, Texas, N21°39'45" W, a distance of 3,121.05 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the northwest corner of said WMV North Hutto 65.281 acre tract, at the southwest corner of a called 27.36 acre tract of land as conveyed to Howard R. Sladek and Brenda Sladek by Warranty Deed recorded in Volume 866, Page 661 of the Deed Records of Williamson County, Texas, for the northwest corner of the herein described tract, from which a 1/2-inch iron rod found bears N 21°39'45" W a distance of 250.62 feet and from which a 1-inch iron pipe found at the northwest corner of said 107-Acre parent tract bears N 21°39'45" W a distance of 2,346.24 feet;

THENCE, with the south line of said Sladek 27.36 acre tract and the north line of said WMV North Hutto 65.281 acre tract, N 49°28'29" E a distance of 862.66 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the west line of said WMV North Hutto 106.918 acre tract, at the southeast corner of said Sladek 27.36 acre tract and at the northeast corner of said WMV North Hutto 65.218 acre tract, for an interior corner of the herein described tract;

THENCE, with the west line of said WMV North Hutto 106.918 acre tract, partially with the east line of said Sladek 27.36 acre tract and partially with the east line of said Sladek 14.00 acre tract, N 21°38'12" W a distance of 2,067.62 feet to a 1-inch iron rod found on the south line of said Kruger remainder tract, at the northeast corner of said Sladek 14.00 acre tract, and at the northwest corner of said WMV North Hutto 106.918 acre tract, for an exterior corner of the herein described tract;

THENCE, with the south line of said Kruger remainder tract and the north line of said WMV North Hutto 106.918 acre tract, N 68°25'37" E a distance of 294.31 feet to an axle found at the southeast corner of said Kruger remainder tract, at the southwest corner of said WMV North Hutto 14.504 acre tract, for an interior corner of the herein described tract, from which a 1-inch iron rod found at the northeast corner of said WMV North Hutto 106.918 acre tract, bears N 68°14'19" E a distance of 466.23 feet;

THENCE, with the east line of said Kruger remainder tract and the west line of said WMV North Hutto 14.504 acre tract, N 21°16'12" W a distance of 775.74 feet to the POINT OF BEGINNING and containing 263.021 acres of land, more or less.

EXHIBIT A-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

METES & BOUNDS DESCRIPTION

FIELD NOTES FOR 65.636 ACRES OF LAND OUT OF THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CALLED 263.021 ACRE TRACT OF LAND AS CONVEYED TO GRBK EDGEWOOD, LLC AND MERITAGE HOMES OF TEXAS, LLC BY SPECIAL WARRANTY DEED AS RECORDED IN DOCUMENT NUMBER 2023089401 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 65.636 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED IN TWO (2) TRACTS BY METES AND BOUNDS AS FOLLOWS:

TRACT 1

BEGINNING at a 1/2-inch iron rod with cap stamped "BGE INC" set on the north right-of-way line of County Road 132 (variable width right-of-way) at the southeast corner of the above described 263.021-acre tract, and the southwest corner of the remaining portion of a called 105.75 acre tract of land as conveyed to Charles Mervin Walker and Grace E. Walker by Warranty Deed recorded in Volume 484, Page 331 of the Deed Records of Williamson County, Texas, for the southwest corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, with the north right-of-way line of said County Road 132 and the south line of said 263.021-acre tract, N 82°44'12" W a distance of 867.72 feet to a 1/2-inch iron rod found for angle point;

THENCE, continuing with the north right-of-way line of said County Road 132 and the south line of said 263.021-acre tract, N 83°08'58" W a distance of 406.40 feet to a 1/2-inch iron rod with a cap stamped "TLS" found for angle point at the northeast corner of a fifteen (15') foot right-of-way tract as dedicated by plat of RIVER CROSSING SUBDIVISION PHASE THREE, a subdivision as recorded in Cabinet X, Slides 249-252 of the Plat Records of Williamson County, Texas;

THENCE, partly with the north right-of-way line of said County Road 132, the north line of said RIVER CROSSING SUBDIVISION PHASE THREE and the south line of said 263.021-acre tract, N 82°26'38" W, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found at the northeast corner of Lot 11, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 15.00 feet, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found at the common north corner of Lot 9 and Lot 10, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 233.17 feet, and continuing on for a total distance of 524.18 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the southwest corner of said

263.021-acre tract, and at the southeast corner of MUSTANG CREEK, PHASE 1, a subdivision as recorded in Document Number 2020111349 of the Official Public Records of Williamson County, Texas, for the southwest corner of the herein described tract, from which a 1/2-inch iron rod found on the north line of said RIVER CROSSING SUBDIVISION PHASE THREE subdivision bears N 82°26'38" W a distance of 653.49 feet;

THENCE, departing the north line of said RIVER CROSSING SUBDIVISION PHASE THREE with the west line of said 263.021-acre tract and the east line of said MUSTANG CREEK, PHASE 1, N 21°39'45" W, a distance of 441.98 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the east line of Lot 107, Block B of the MUSTANG CREEK, PHASE 8, a subdivision as recorded in Document Number 2022091992 of the Official Public Records of Williamson County, Texas, for the northwest corner of the herein described tract;

THENCE, departing the east line of said MUSTANG CREEK, PHASE 8 subdivision, over and across said 263.021-acre tract, N 68°20'15" E a distance of 318.44 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an angle point;

THENCE, continuing over and across said 263.021-acre tract, S 83°08'58" E a distance of 513.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, N 35°07'34" E a distance of 85.65 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an angle point;

THENCE, continuing over and across said 263.021-acre tract, N 69°33'22" E a distance of 90.18 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an angle point;

THENCE, continuing over and across said 263.021-acre tract, N 82°22'10" E a distance of 304.52 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an angle point;

THENCE, continuing over and across said 263.021-acre tract, S 79°55'05" E a distance of 260.42 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an angle point;

THENCE, continuing over and across said 263.021-acre tract, N 68°22'16" E a distance of 126.23 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the east line of said 263.021-acre tract and the west line of said Walker remainder tract for the northeast corner of the herein described tract;

THENCE, with the common line of said 263.021-acre tract and said Walker remainder tract, S 21°37'44" E a distance of 900.50 feet to the southeast corner and **POINT OF BEGINNING** and containing 25.134 acres of land, more or less.

TRACT 2

BEGINNING at a mag nail found on the east line of MUSTANG CREEK, PHASE 4, a subdivision as recorded in Document Number 2021137021 of the Official Public Records of Williamson County, Texas, at a west corner of the above described 263.021-acre tract, at the south corner a called 0.86 acre tract (Tract I) as to conveyed to GRBK Edgewood, LLC by general warranty deed recorded in Document Number 2024062745 of the Official Public Records of Williamson county, Texas, for the most westerly corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, with the northwesterly line of said 263.021-acre tract and the southeasterly lines of said called 0.86-acre tract (Tract I) and a called 1.22 acre tract (Tract II) as to conveyed to GRBK Edgewood, LLC by general warranty deed recorded in Document Number 2024062745 of the Official Public Records of Williamson county, Texas, and the remainder of a called 27.36 acre tract of land, as conveyed to Howard R. Sladek and Brenda Sladek by warranty deed recorded in Volume 866, Page 661 of the Deed Records of Williamson County, Texas, N 49°28'29" E, pass a 1/2-iron rod with cap stamped "MWM 512-452-0767" found at the common east corner of said 0.86-acre tract (Tract I) and said 1.22-acre tract (Tract II) at a distance of 366.49 feet, pass a 1/2-iron rod with cap stamped "MWM 512-452-0767" found at the common east corner of said 1.22-acre tract (Tract II) and said Sladek remainder tract at a distance of 534.05, and continuing on for a total distance of 851.72 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the southeasterly line of said Sladek remainder tract, for the most northerly corner of the herein described tract;

THENCE, departing the southeasterly line of said Sladek remainder tract, over and across said 263.021-acre tract, S 10°38'36" W a distance of 246.84 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 79°21'24" E a distance of 107.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of curvature of a curve to the left;

THENCE, continuing over and across said 263.021-acre tract along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears N 55°38'36" E a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 79°21'24" E a distance of 55.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at a point of curvature of a non-tangent curve to the left for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 34°21'24" E a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 10°38'36" W a distance of 120.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 79°21'46" E a distance of 247.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 10°14'10" W, a distance of 120.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an angle point;

THENCE, continuing over and across said 263.021-acre tract, S 10°14'11" W, a distance of 55.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner and point of curvature of a non-tangent curve to the left;

THENCE, continuing over and across said 263.021-acre tract along said curve to the left, an arc distance of 78.29 feet, having a radius of 1,185.00 feet, a central angle of 03°47'08" and a chord which bears S 81°39'23" E a distance of 78.28 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 10°38'36" W, a distance of 43.22 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E, a distance of 339.87 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 68°30'46" W, a distance of 107.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E, a distance of 55.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner and point of curvature of a non-tangent curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 23°30'46" W a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of tangency;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 215.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at a point of curvature of a curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 66°29'24" E a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 55.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner and at a point of curvature of a non-tangent curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 23°30'46" W a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of tangency;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 215.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at a point of curvature of a curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 66°29'14" W a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 55.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner and point of curvature of a non-tangent curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 23°30'46" W a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of tangency;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 215.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" at a point of curvature a curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 66°29'14" W a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of tangency;

THENCE, continuing over and across said 263.021-acre tract, N 68°30'46" E, a distance of 7.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 175.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for the most easterly corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 68°30'46" W a distance of 610.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E, a distance of 97.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of curvature of a curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left an arc distance of 35.34 feet, having a radius of 22.50 feet, a central angle of 90°00'00" and a chord which bears S 66°29'14" W a distance of 31.82 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of tangency;

THENCE, continuing over and across said 263.021-acre tract, N 68°30'46" E a distance of 1.53 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 55.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an exterior corner and point of curvature of a non-tangent curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left an arc distance of 8.66 feet, having a radius of 12.50 feet, a central angle of 39°42'54" and a chord which bears S 48°39'19" W a distance of 8.49 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of reverse curvature;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the right an arc distance of 34.39 feet, having a radius of 52.50 feet, a central angle of 37°31'55" and a chord which bears S 47°33'49" W a distance of 33.78 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

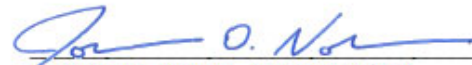
THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 105.04 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set the most southerly southeast corner;

THENCE, continuing over and across said 263.021-acre tract, S 68°28'41" W a distance of 199.13 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the west line of said 263.021-acre tract and the east line of MUSTANG CREEK, PHASE 8, a subdivision as recorded in Document Number 2022091992 of the Official Public Records of Williamson County, Texas, for the southwest corner of the herein described tract;

THENCE, with the west line of said 263.021-acre tract and partially with the east line of said MUSTANG CREEK, PHASE 8, the east line of MUSTANG CREEK, PHASE 5, a subdivision recorded in Document Number 2021141183, and the east line of said MUSTANG CREEK, PHASE 4, N 21°39'45" W a distance of 2,183.56 feet to the **POINT OF BEGINNING** and containing 40.502 acres of land, more or less.

The gross area contained within Tracts 1 and 2 totals 65.636 acres of land, more or less.

I hereby certify that these notes were prepared from a survey made on the ground on May 6, 2022 under my supervision and are true and correct to the best of my knowledge. The bearing orientation is based on the Texas State Plane Coordinate System, NAD-83, Central Zone. A sketch accompanies this description.


Jonathan O. Nobles RPLS No. 5777

BGE, Inc.
101 West Louis Henna Blvd., Suite 400
Austin, Texas 78728
Telephone: 512-879-0400
TBPELS Licensed Surveying Firm Number 10106502

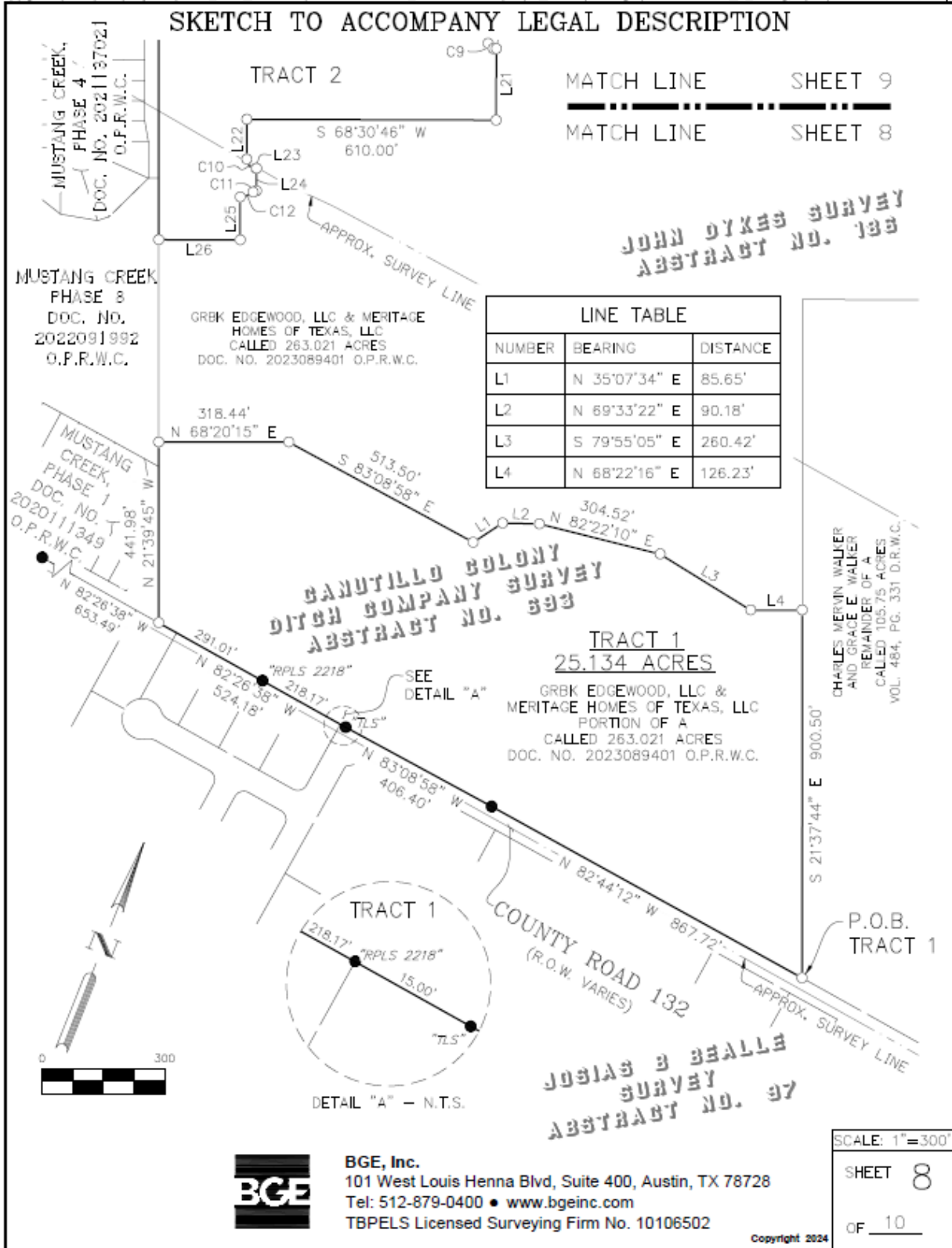


09/26/2024

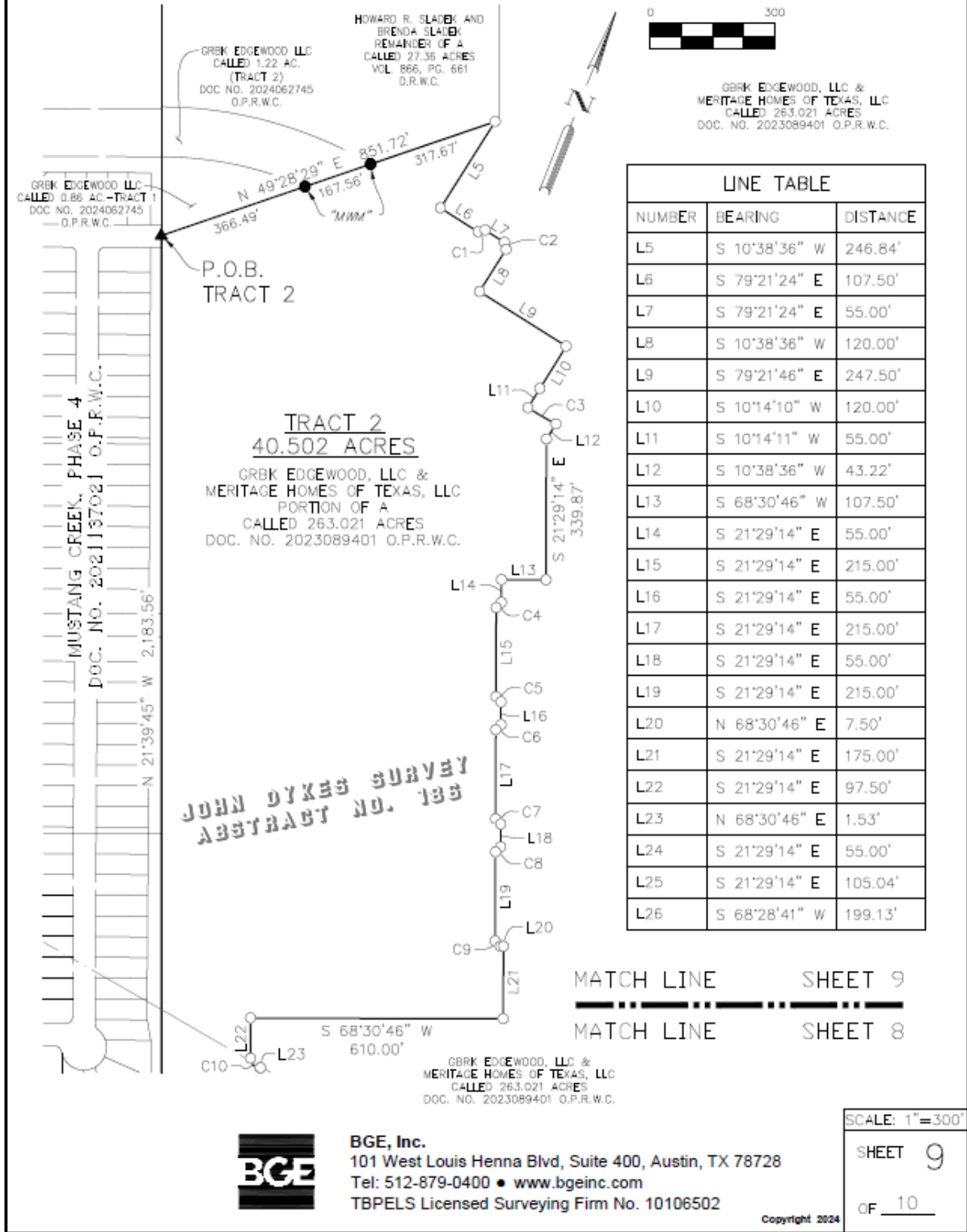
Date

Client: Green Brick Partners
Date: September 26, 2024
Job No: 12802-00

SKETCH TO ACCOMPANY LEGAL DESCRIPTION



SKETCH TO ACCOMPANY LEGAL DESCRIPTION



SKETCH TO ACCOMPANY LEGAL DESCRIPTION

CURVE TABLE					
NUMBER	ARC LENGTH	RADIUS	DELTA	CHORD BEARING	CHORD DISTANCE
C1	19.63'	12.50'	90°00'00"	N 55°38'36" E	17.68'
C2	19.63'	12.50'	90°00'00"	S 34°21'24" E	17.68'
C3	78.29'	1,185.00'	3°47'08"	S 81°39'23" E	78.28'
C4	19.63'	12.50'	90°00'00"	S 23°30'46" W	17.68'
C5	19.63'	12.50'	90°00'00"	S 66°29'14" E	17.68'
C6	19.63'	12.50'	90°00'00"	S 23°30'46" W	17.68'
C7	19.63'	12.50'	90°00'00"	S 66°29'14" E	17.68'
C8	19.63'	12.50'	90°00'00"	S 23°30'46" W	17.68'
C9	19.63'	12.50'	90°00'00"	S 66°29'14" E	17.68'
C10	35.34'	22.50'	90°00'00"	S 66°29'14" E	31.82'
C11	8.66'	12.50'	39°42'54"	S 48°39'19" W	8.49'
C12	34.39'	52.50'	37°31'55"	S 47°33'49" W	33.78'

LEGEND

DOC.	DOCUMENT
D.R.W.C.	DEED RECORDS OF WILLIAMSON COUNTY
NO.	NUMBER
N.T.S.	NOT TO SCALE
O.P.R.W.C.	OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY
PG.	PAGE
P.O.B.	POINT OF BEGINNING
R.O.W.	RIGHT-OF-WAY
VOL.	VOLUME
●	FOUND 1/2" IRON ROD
▲	FOUND MAG NAIL
○	SET 1/2" IRON ROD W/CAP "BGE INC"



BGE, Inc.
 101 West Louis Henna Blvd, Suite 400, Austin, TX 78728
 Tel: 512-879-0400 • www.bgeinc.com
 TBPELS Licensed Surveying Firm No. 10106502

SCALE: ~
SHEET 10
OF 10

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EXHIBIT B-1 – DISTRICT BOUNDARY MAP

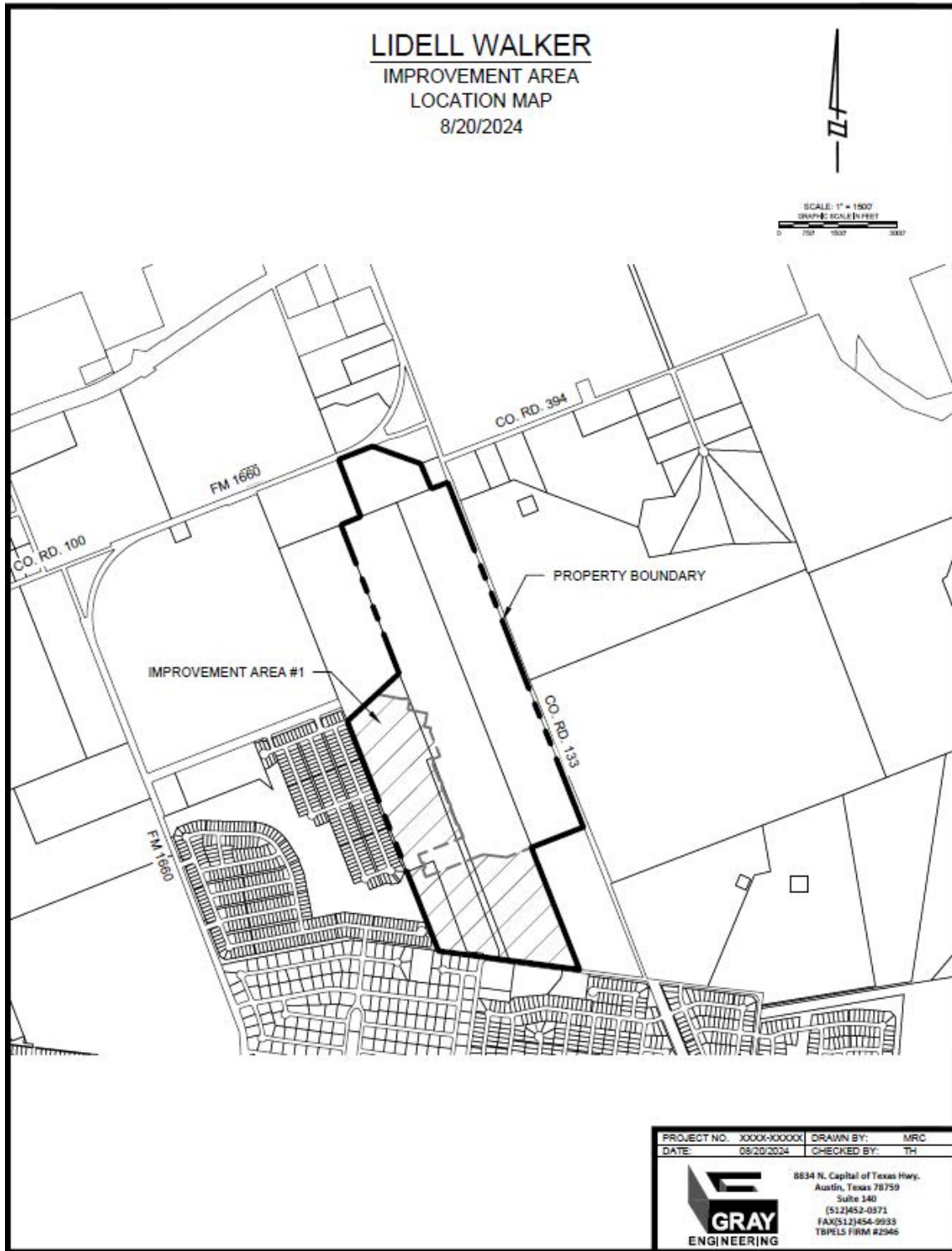


EXHIBIT B-2 – IMPROVEMENT AREA #1 AND FUTURE IMPROVEMENT AREA BOUNDARY MAP

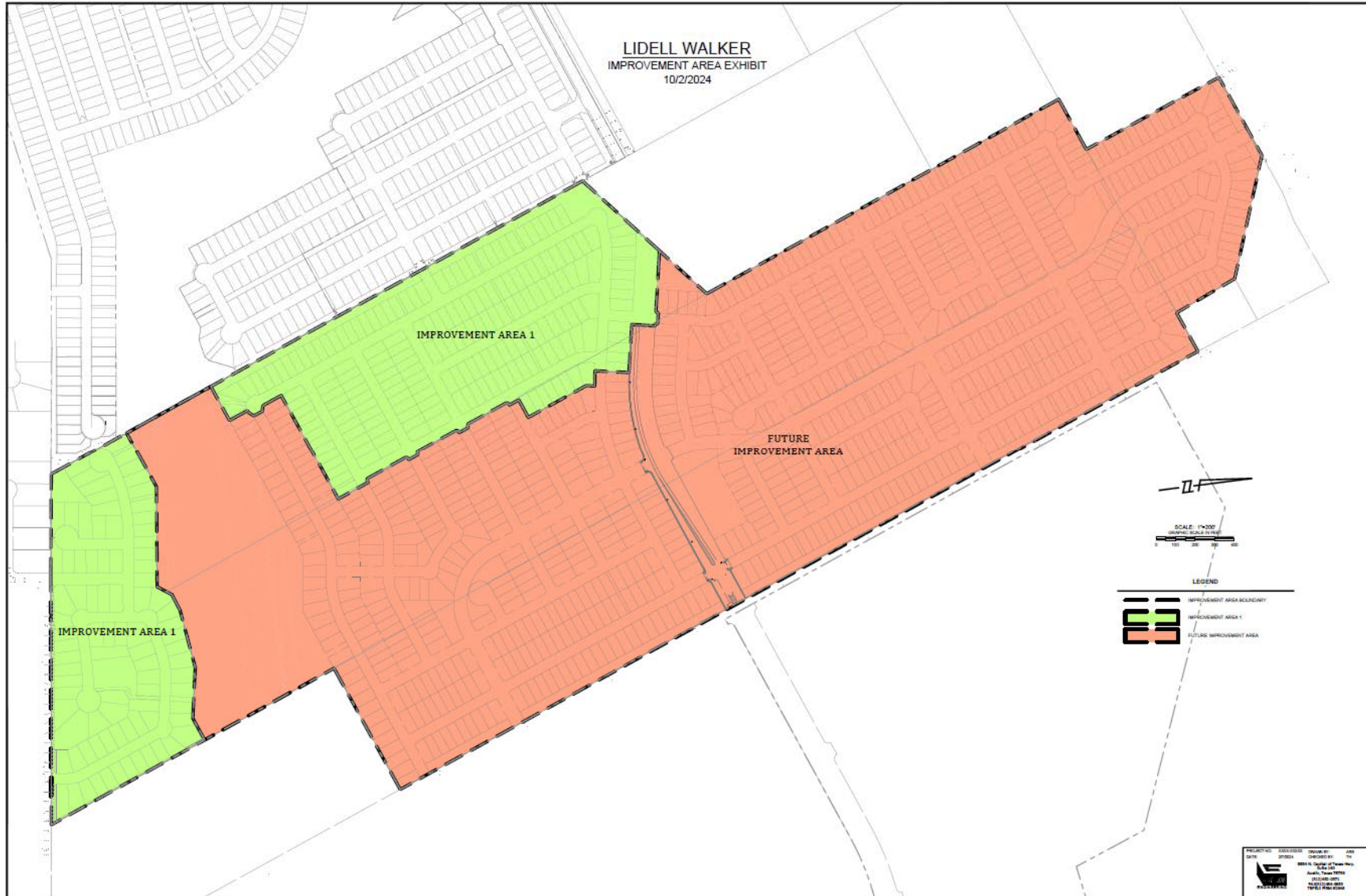
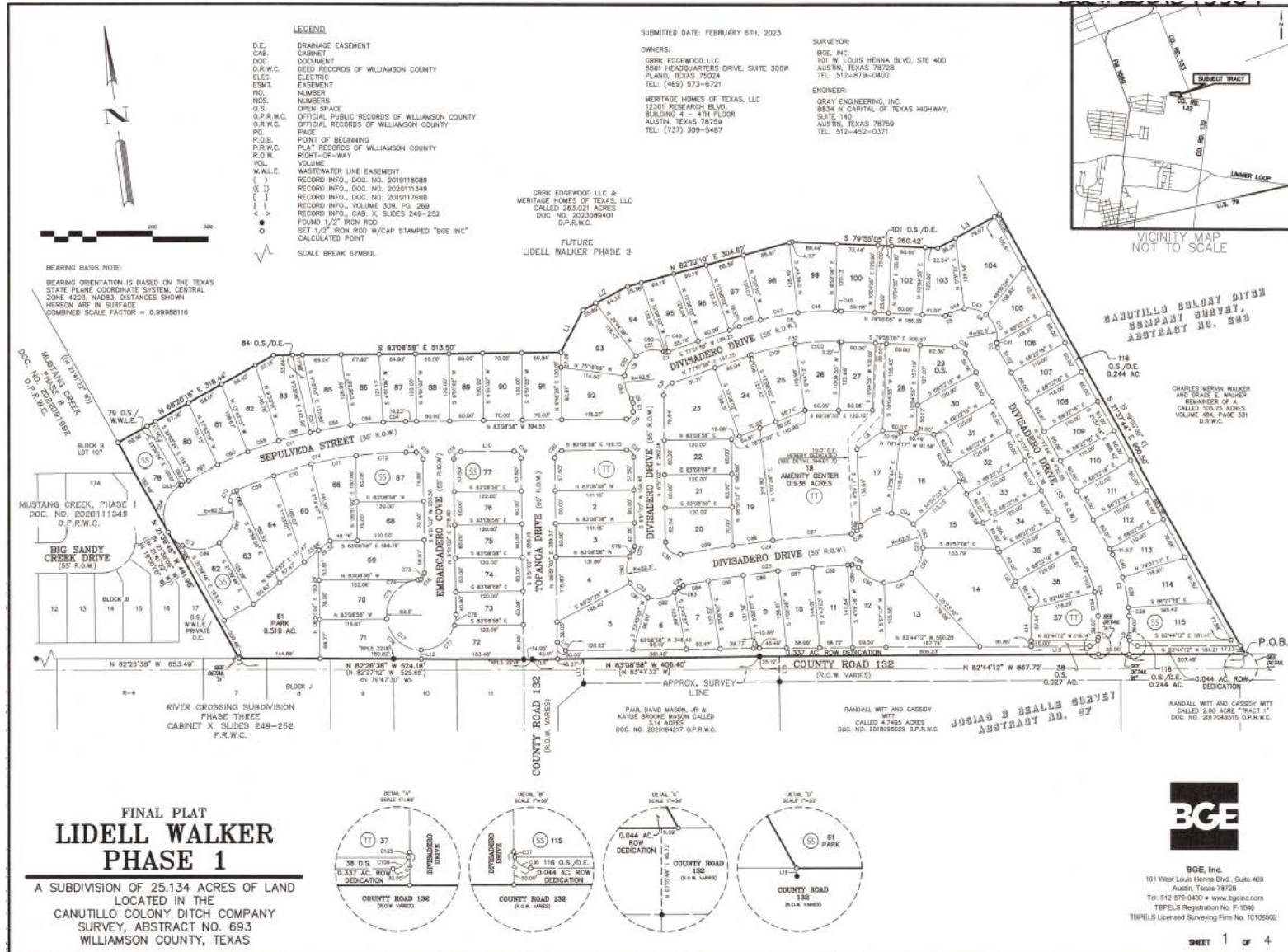


EXHIBIT B-3 – PHASE 1 PLAT



METES & BOUNDS DESCRIPTION

FIELD NOTES FOR A 25.134 ACRE TRACT OF LAND OUT OF THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CALLED 263.021-ACRE TRACT OF LAND AS CONVEYED TO ORISKAN EDGEMOOD LLC AND MERTAGE HOMES OF TEXAS, LLC BY SPECIAL WARRANTY DEED AS RECORDED IN DOCUMENT NUMBER 2022089401 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 25.134 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod with cap stamped "BGE INC" set on the north right-of-way line of County Road 132 (variable width right-of-way) at the southeast corner of the above described 263.021-acre tract; and the southwest corner of the remaining portion of a called 105.75 acre tract of land as conveyed to Charles Mervin Walker and Grace E. Walker by Warranty Deed recorded in Volume 484, Page 331 of the Deed Records of Williamson County, Texas, for the southwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the north right-of-way line of said County Road 132 and the south line of said 263.021-acre tract, N 82°44'12" W a distance of 867.72 feet to a 1/2-inch iron rod found for angle point;

THENCE, continuing with the north right-of-way line of said County Road 132 and the south line of said 263.021-acre tract, N 83°06'58" W a distance of 408.40 feet to a 1/2-inch iron rod with a cap stamped "TLS" found for angle point at the northeast corner of a fifteen (15') foot right-of-way tract as dedicated by plat of RIVER CROSSING SUBDIVISION PHASE THREE, a subdivision as recorded in Cabinet K, Pages 249-252 of the Plat Records of Williamson County, Texas;

THENCE, partly with the north right-of-way line of said County Road 132, the north line of said RIVER CROSSING SUBDIVISION PHASE THREE, and the south line of said 263.021-acre tract, N 82°26'38" W, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found at the northeast corner of Lot 11, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 15.00 feet, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found at the common north corner of Lot 9 and Lot 10, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 233.17 feet, and continuing on for a total distance of 524.18 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the southwest corner of said 263.021-acre tract, and at the southeast corner of MUSTANG CREEK, PHASE 1, a subdivision as recorded in Document Number 2022011346 of the Official Public Records of Williamson County, Texas, for the southwest corner of the herein described tract, from which a 1/2-inch iron rod found on the north line of said RIVER CROSSING SUBDIVISION PHASE THREE subdivision bears N 82°26'38" W a distance of 603.49 feet;

THENCE, departing the north line of said RIVER CROSSING SUBDIVISION PHASE THREE with the west line of said 263.021-acre tract and the east line of said MUSTANG CREEK, PHASE 1, N 21°38'45" W, a distance of 441.90 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the east line of Lot 107, Block B of the MUSTANG CREEK, PHASE 8, a subdivision as recorded in Document Number 2022091992 of the Official Public Records of Williamson County, Texas, for the northwest corner of the herein described tract;

THENCE, departing the east line of said MUSTANG CREEK, PHASE 8 subdivision, over and across said 263.021-acre tract, N 88°20'15" E a distance of 318.44 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an angle point;

THENCE, continuing over and across said 263.021-acre tract, S 83°06'58" E a distance of 513.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, N 35°07'34" E a distance of 85.65 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an angle point;

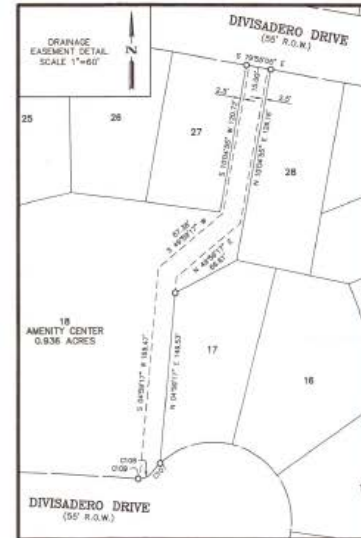
THENCE, continuing over and across said 263.021-acre tract, N 69°33'22" E a distance of 90.18 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an angle point;

THENCE, continuing over and across said 263.021-acre tract, N 82°22'10" E a distance of 204.42 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an angle point;

THENCE, continuing over and across said 263.021-acre tract, S 79°55'05" E a distance of 280.42 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an angle point;

THENCE, continuing over and across said 263.021-acre tract, N 68°22'16" E a distance of 126.23 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the east line of said 263.021-acre tract and the west line of said Walker remainder tract for the northeast corner of the herein described tract;

THENCE, with the common line of said 263.021-acre tract and said Walker remainder tract, S 21°37'44" E a distance of 900.50 feet to the southeast corner and POINT OF BEGINNING and containing 25.134 acres of land, more or less.



**FINAL PLAT
LIDELL WALKER
PHASE 1**

A SUBDIVISION OF 25.134 ACRES OF LAND
LOCATED IN THE
CANUTILLO COLONY DITCH COMPANY
SURVEY, ABSTRACT NO. 693
WILLIAMSON COUNTY, TEXAS



BGE, Inc.
101 West Louis Harris Blvd., Suite 400
Austin, Texas 78728
Tel: 512-879-0400 • www.bgeinc.com
TBPELS Registration No. F-1046
TBPELS Licensed Surveying Firm No. 101066502

SHEET 3 OF 4

STATE OF TEXAS §
COUNTY OF TRAVIS §

KNOW ALL MEN BY THESE PRESENTS:

THAT GRBK EDGEWOOD LLC, A TEXAS LIMITED LIABILITY COMPANY, ACTING HERIN BY AND THROUGH AUSTIN EVETTS, ITS AUTHORIZED SIGNER AND MERITAGE HOMES OF TEXAS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY ACTING HERIN BY AND THROUGH BRANDON HAMMANN, ITS VICE PRESIDENT OF LAND DEVELOPMENT, OWNERS OF A CALLED 263.021 ACRE TRACT OF LAND AS CONVEYED TO THEM BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2023089401 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; DOES HEREBY SUBDIVIDE 25.134 ACRES OF LAND IN ACCORDANCE WITH THE PLAT SHOWN HEREON, TO BE KNOWN AS:

LIDELL WALKER PHASE 1

AND DOES HEREBY DEDICATE TO THE PUBLIC THE USE OF THE STREETS AND EASEMENTS SHOWN HEREON, SUBJECT TO ANY EASEMENTS AND/OR RESTRICTIONS HERETOFORE GRANTED AND NOT RELEASED.

WITNESS MY HAND, THIS THE 1 DAY OF November, 2024 A.D.

Austin Evetts
AUSTIN EVETTS, AUTHORIZED SIGNER
GRBK EDGEWOOD LLC
5001 HEADQUARTERS DRIVE, SUITE 300W
PLANO, TEXAS 75024

STATE OF TEXAS §
COUNTY OF TRAVIS §

BEFORE ME, THE UNDERSIGNED AUTHORITY, PERSONALLY APPEARED AUSTIN EVETTS, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED AND IN THE CAPACITY THEREIN STATED.

Charlene Floyd
NOTARY PUBLIC, STATE OF TEXAS



Charlene Floyd
PRINT NOTARY'S NAME
MY COMMISSION EXPIRES August 21, 2025

WITNESS MY HAND, THIS THE 4th DAY OF November, 2024 A.D.

Brandon Hammann
BRANDON HAMMANN, VICE PRESIDENT OF LAND DEVELOPMENT
MERITAGE HOMES OF TEXAS, LLC
12301 RESEARCH BLVD.
BUILDING 4, SUITE 400
AUSTIN, TEXAS 78759

STATE OF TEXAS §
COUNTY OF TRAVIS §

BEFORE ME, THE UNDERSIGNED AUTHORITY, PERSONALLY APPEARED BRANDON HAMMANN, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED AND IN THE CAPACITY THEREIN STATED.

Annette Herminston
NOTARY PUBLIC, STATE OF TEXAS



Annette Herminston
PRINT NOTARY'S NAME
MY COMMISSION EXPIRES 4/15/25

**FINAL PLAT
LIDELL WALKER
PHASE 1**

A SUBDIVISION OF 25.134 ACRES OF LAND
LOCATED IN THE
CANUTILLO COLONY DITCH COMPANY
SURVEY, ABSTRACT NO. 693
WILLIAMSON COUNTY, TEXAS

I, TIMOTHY M. HOLLAND, AM AUTHORIZED UNDER THE LAWS OF THE STATE OF TEXAS, TO PRACTICE THE PROFESSION OF ENGINEERING, AND DO HEREBY CERTIFY THAT THIS PLAT IS FEASIBLE FROM AN ENGINEERING STANDPOINT, AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Timothy M. Holland
TIMOTHY M. HOLLAND, P.E.
LICENSED PROFESSIONAL ENGINEER NO. 94848
GRAY ENGINEERING, INC.
8834 N CAPITAL OF TEXAS HWY #140
AUSTIN, TX 78758

11/1/2024
DATE



I, JONATHAN D. NOBLES, AM AUTHORIZED UNDER THE LAWS OF THE STATE OF TEXAS, TO PRACTICE THE PROFESSION OF LAND SURVEYING, AND DO HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND WAS PREPARED FROM AN ACTUAL ON THE GROUND SURVEY OF THE PROPERTY UNDER MY SUPERVISION ON APRIL 21, 2021.

Jonathan D. Nobles
JONATHAN D. NOBLES, R.P.L.S.
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 5777
SIC, INC.
101 WEST LOUIS HENNA BLVD., SUITE 400
AUSTIN, TEXAS 78728

11/1/2024
DATE



GENERAL NOTES:

- BEARING ORIENTATION IS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE 4203, NAD83.
- NO BUILDING, FENCING, LANDSCAPING OR STRUCTURES ARE ALLOWED WITHIN ANY DRAINAGE OR WASTEWATER EASEMENT UNLESS EXPRESSLY PERMITTED BY THE CITY OF HUTTO.
- BUILDING SETBACKS SHALL CONFORM TO LDC REQUIREMENTS, AS AMENDED.
- A TEN (10) FOOT PUBLIC UTILITY EASEMENT (PUE) IS HEREBY DEDICATED ALONG AND ADJACENT TO ALL STREET SIDE PROPERTY LINES.
- A THREE (3) FOOT PUBLIC UTILITY EASEMENT (PUE) IS HEREBY DEDICATED ON EACH SIDE OF ALL INTERIOR SIDE LOT LINES.
- IF PARKING IS DESIRED ON BOTH SIDES OF THE STREET THEN THE STREETS MUST BE A MINIMUM OF 33 FEET WIDE. IF THE STREETS ARE LESS THAN 33 FEET IN WIDTH FIRE LANE SIGNAGE IS REQUIRED. (2018 IFC APPENDIX D SEC. 103.6 - D103.6.2)
- NO LOT IN THIS SUBDIVISION SHALL BE OCCUPIED UNTIL CONNECTION IS MADE TO PUBLIC WATER AND WASTEWATER UTILITIES.
- SIDEWALKS AND TREES SHALL BE PROVIDED ON BOTH SIDES OF ALL STREETS WITHIN THIS SUBDIVISION.
- SIDEWALKS AND TREES SHALL BE PROVIDED ALONG ALL STREETS BOUNDING THIS SUBDIVISION.
- ALL FENCING THAT IS NOT ON A PRIVATE LOT TO BE MAINTAINED BY THE HOA.
- STREET LIGHTING SHALL BE PROVIDED BY THE DEVELOPER IN CONFORMANCE WITH THE LDC REQUIREMENTS, AS AMENDED.
- THIS TRACT IS WITHIN WATER CON SERVICE AREA 10970. WATER AND WASTEWATER WILL BE AVAILABLE THROUGH THE CITY OF HUTTO AFTER THE APPROPRIATE WATER AND WASTEWATER SYSTEMS ARE INSTALLED TO THIS SITE. THE CITY OF HUTTO ASSUMES NO OBLIGATIONS FOR INSTALLING ANY WATER AND WASTEWATER IMPROVEMENTS REQUIRED TO SERVE THIS SITE.
- NO PORTION OF THIS TRACT IS ENDOGRAHED BY THE ULTIMATE 1% ANNUAL CHANCE FLOODPLAIN.
- NO PORTION OF THIS TRACT IS ENDOGRAHED BY ANY SPECIAL FLOOD HAZARD AREAS INUNDAATED BY THE 1% ANNUAL CHANCE FLOODPLAIN AS IDENTIFIED BY THE U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY BOUNDARY MAP (FLOOD INSURANCE RATE MAP) COMMUNITY PANEL NUMBER 48491C0010F, EFFECTIVE DATE DECEMBER 20, 2019, FOR WILLIAMSON COUNTY, TEXAS.
- IN ORDER TO PROMOTE DRAINAGE AWAY FROM A STRUCTURE, THE SLAB ELEVATIONS SHALL BE BUILT AT LEAST ONE (1) FOOT ABOVE THE SURROUNDING GROUND AND SHOULD BE GRADED AWAY FROM THE STRUCTURE AT A SLOPE OF 3/8" PER FOOT FOR A DISTANCE OF AT LEAST TEN (10) FEET.
- ALL SUBDIVISION CONSTRUCTION SHALL CONFORM TO THE CITY OF HUTTO UNIFIED DEVELOPMENT CODE AS AMENDED, CONSTRUCTION STANDARDS, AND GENERALLY ACCEPTED ENGINEERING PRACTICES.
- ON-SITE STORMWATER DETENTION FACILITIES WILL BE PROVIDED TO REDUCE POST-DEVELOPMENT PEAK RATES OF DISCHARGE OF THE 2, 10, 25 AND 100-YEAR STORM EVENTS, IF NECESSARY.
- ALL EASEMENTS ON PRIVATE PROPERTY SHALL BE MAINTAINED BY THE PROPERTY OWNER OR HIS OR HER ASSONS.
- ALL DRAINAGE LOTS SHALL BE OWNED AND MAINTAINED BY THE HOMEOWNER'S ASSOCIATION.

20. THIS SUBDIVISION IS ZONED SF-1 VILLAGE.

21. ALL LOTS IN THIS SUBDIVISION ARE RESTRICTED TO SINGLE FAMILY RESIDENTIAL USE, UNLESS OTHERWISE INDICATED.

22. THE MAXIMUM IMPERVIOUS COVERAGE PER RESIDENTIAL LOT IS 57%.

23. SUBDIVISION WALLS SHALL BE LOCATED AND CONSTRUCTED IN ACCORDANCE WITH CHAPTER 4 OF THE UDC, AS AMENDED.

24. STREETS 26 FEET WIDE TO LESS THAN 32 FEET WIDE REQUIRE FIRE LANE STRIPING ON ONE SIDE OF THE STREET.

25. TRAFFIC IMPACT FEES WILL BE DUE BASED ON RESOLUTION R-2021-147A.

CITY DEVELOPMENT SERVICES SIGNATURES:

THIS SUBDIVISION IS LOCATED WITHIN THE CITY LIMITS OF HUTTO, THIS THE 15 DAY OF November, 2024.

Ashley Bailey
ASHLEY BAILEY, DEVELOPMENT SERVICES DIRECTOR
11/15/24
DATE

THIS PLAT WAS APPROVED FOR RECORDING BY THE HUTTO PLANNING AND ZONING COMMISSION ON THE ON THE 27th DAY OF September, 2024.

Susanra E. Boyer
SUSANRA BOYER, CHAIR
11/05/2024
DATE

STATE OF TEXAS §
COUNTY OF WILLIAMSON §

KNOW ALL MEN BY THESE PRESENTS:
THAT I, NANCY E. RISTER, CLERK OF THE COUNTY COURT OF SAID COUNTY, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT IN WRITING, WITH ITS CERTIFICATION OF AUTHENTICATION, WAS FILED FOR RECORD IN MY OFFICE ON THE 2nd DAY OF November, 2024 A.D. AT 9:15 O'CLOCK A.M. AND DULY RECORDED ON THE 2nd DAY OF November, 2024 A.D. AT 9:32 O'CLOCK A.M. IN THE PLAT RECORDS OF SAID COUNTY, IN DOCUMENT NO. 2024093354.

WITNESS MY HAND AND SEAL OF THE COUNTY COURT OF SAID COUNTY, AT MY OFFICE IN GEORGETOWN, TEXAS, THE DATE LAST ABOVE WRITTEN.

NANCY E. RISTER, CLERK, COUNTY COURT
WILLIAMSON COUNTY, TEXAS



BY Nancy E. Rister
DEPUTY



BGE, Inc.
101 West Louis Henna Blvd., Suite 400
Austin, Texas 78728
Tel: 512-875-0400 • www.bgeinc.com
TBPELS Registration No. F-1046
TBPELS Licensed Surveying Firm No. 10106502

EXHIBIT C – AUTHORIZED IMPROVEMENTS

	Total Costs [a]		Improvement Area #1		Future Improvement Areas
<i>Major Improvements [b]</i>					
Water	\$ 1,004,708	26.52%	\$ 266,429	73.48%	\$ 738,279
Soft Costs	50,235	26.52%	13,321	73.48%	36,914
Contingency	50,235	26.52%	13,321	73.48%	36,914
	\$ 1,105,179		\$ 293,072		\$ 812,106
<i>Improvement Area #1 Improvements</i>					
Roadway	\$ 4,955,563		\$ 4,955,563		\$ -
Water	1,969,444		1,969,444		-
Wastewater	2,127,338		2,127,338		-
Drainage	4,734,497		4,734,497		-
Soft Costs (5%)	689,342		689,342		-
Contingency (5%)	689,342		689,342		-
	\$ 15,165,526		\$ 15,165,526		\$ -
<i>Bond Issuance Costs [c]</i>					
Debt Service Reserve Fund	\$ 686,704		\$ 686,704		\$ -
Underwriter Discount	303,690		303,690		-
Capitalized Interest	253,328		253,328		-
Cost of Issuance	649,278		649,278		-
	\$ 1,893,000		\$ 1,893,000		\$ -
<i>Administrative Reserves [c]</i>					
First Year Annual Collection Costs	\$ 40,000		\$ 40,000		\$ -
	\$ 40,000		\$ 40,000		\$ -
Total	\$ 18,203,705		\$ 17,391,599		\$ 812,106

[a] Per the Engineer's Report prepared by Gray Engineering, Inc. dated January 2025.

[b] Major Improvements are allocated between Improvement Area #1 and Future Improvement Areas on the basis of Estimated Buildout Value as shown on **Exhibit K**.

[c] If PID Bonds are issued to finance Authorized Improvements allocable to the Future Improvement Areas, Bond Issuance Costs and Administrative Reserves associated with those PID Bonds will be determined at the time of such issuance.

EXHIBIT D – SERVICE PLAN

		Improvement Area #1				
Installments Due		1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
Principal		\$ 95,000.00	\$ 100,000.00	\$ 106,000.00	\$ 112,000.00	\$ 118,000.00
Interest		592,195.50	586,638.00	580,788.00	574,587.00	568,035.00
Capitalized Interest		-	-	-	-	-
	(1)	<u>\$ 687,195.50</u>	<u>\$ 686,638.00</u>	<u>\$ 686,788.00</u>	<u>\$ 686,587.00</u>	<u>\$ 686,035.00</u>
Annual Collection Costs	(2)	\$ 40,800.00	\$ 41,616.00	\$ 42,448.32	\$ 43,297.29	\$ 44,163.23
Additional Interest	(3)	\$ 50,615.00	\$ 50,140.00	\$ 49,640.00	\$ 49,110.00	\$ 48,550.00
Total Annual Installment	(4) = (1) + (2) + (3)	<u>\$ 778,610.50</u>	<u>\$ 778,394.00</u>	<u>\$ 778,876.32</u>	<u>\$ 778,994.29</u>	<u>\$ 778,748.23</u>

EXHIBIT E – SOURCES AND USES

	Improvement Area #1	Future Improvement Areas
Sources of Funds		
Improvement Area #1 Bond Par	\$ 10,123,000	\$ -
Owner Contribution [a]	7,268,599	812,106
Total Sources	\$ 17,391,599	\$ 812,106
Uses of Funds		
Major Improvements	\$ 293,072	\$ 812,106
Improvement Area #1 Improvements	15,165,526	-
	\$ 15,458,599	\$ 812,106
<i>Bond Issuance Costs [b]</i>		
Debt Service Reserve Fund	\$ 686,704	\$ -
Underwriter's Discount	303,690	-
Capitalized Interest	253,328	-
Cost of Issuance	649,278	-
	\$ 1,893,000	\$ -
<i>Administrative Reserves [b]</i>		
First Year's Annual Collection Costs	\$ 40,000	\$ -
	\$ 40,000	\$ -
Total Uses	\$ 17,391,599	\$ 812,106

[a] Represents Actual Costs expended or to be expended by the Owner to construct Authorized Improvements in excess of the applicable Assessment. Not subject to reimbursement with Improvement Area #1 Bonds. The Owner contribution associated with the Future Improvement Areas may be partially or fully subject to reimbursement if Assessments are levied and/or PID Bonds are issued to finance those Major Improvements allocable to the Future Improvement Areas.

[b] If PID Bonds are issued to finance Authorized Improvements allocable to the Future Improvement Areas, Bond Issuance Costs and Administrative Reserves associated with those PID Bonds will be determined at the time of such issuance.

EXHIBIT F – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Lot Type	Notes	Improvement Area #1 ^[a]	
			Outstanding Assessment ^[b]	Installment Due 1/31/2026
R365975	Improvement Area #1 Remainder Parcel	[c]	\$ 5,848,930.58	\$ 449,870.69
R334065	Improvement Area #1 Remainder Parcel	[c]	\$ 723,839.68	\$ 55,674.15
R667915	Non-Benefitted		\$ -	\$ -
R667916	3		\$ 41,281.74	\$ 3,175.18
R667917	3		\$ 41,281.74	\$ 3,175.18
R667918	3		\$ 41,281.74	\$ 3,175.18
R667932	3		\$ 41,281.74	\$ 3,175.18
R667933	Non-Benefitted		\$ -	\$ -
R667934	3		\$ 41,281.74	\$ 3,175.18
R667935	3		\$ 41,281.74	\$ 3,175.18
R667948	3		\$ 41,281.74	\$ 3,175.18
R667949	3		\$ 41,281.74	\$ 3,175.18
R667950	3		\$ 41,281.74	\$ 3,175.18
R667951	3		\$ 41,281.74	\$ 3,175.18
R667952	3		\$ 41,281.74	\$ 3,175.18
R667965	3		\$ 41,281.74	\$ 3,175.18
R667966	3		\$ 41,281.74	\$ 3,175.18
R667967	3		\$ 41,281.74	\$ 3,175.18
R667968	3		\$ 41,281.74	\$ 3,175.18
R667982	3		\$ 41,281.74	\$ 3,175.18
R667983	3		\$ 41,281.74	\$ 3,175.18
R667984	3		\$ 41,281.74	\$ 3,175.18
R667985	3		\$ 41,281.74	\$ 3,175.18
R667999	Non-Benefitted		\$ -	\$ -
R668000	3		\$ 41,281.74	\$ 3,175.18
R668001	3		\$ 41,281.74	\$ 3,175.18
R668002	3		\$ 41,281.74	\$ 3,175.18
R667923	3		\$ 41,281.74	\$ 3,175.18
R667924	3		\$ 41,281.74	\$ 3,175.18
R667925	3		\$ 41,281.74	\$ 3,175.18
R667926	3		\$ 41,281.74	\$ 3,175.18
R667940	3		\$ 41,281.74	\$ 3,175.18
R667941	3		\$ 41,281.74	\$ 3,175.18
R667942	3		\$ 41,281.74	\$ 3,175.18
R667943	3		\$ 41,281.74	\$ 3,175.18
R667957	3		\$ 41,281.74	\$ 3,175.18
R667958	3		\$ 41,281.74	\$ 3,175.18
R667959	3		\$ 41,281.74	\$ 3,175.18
R667960	3		\$ 41,281.74	\$ 3,175.18
R667973	3		\$ 41,281.74	\$ 3,175.18

Property ID	Lot Type	Notes	Improvement Area #1 ^[a]	
			Outstanding Assessment ^[b]	Installment Due 1/31/2026
R667974	3		\$ 41,281.74	\$ 3,175.18
R667975	3		\$ 41,281.74	\$ 3,175.18
R667976	3		\$ 41,281.74	\$ 3,175.18
R667977	3		\$ 41,281.74	\$ 3,175.18
R667990	3		\$ 41,281.74	\$ 3,175.18
R667991	3		\$ 41,281.74	\$ 3,175.18
R667992	3		\$ 41,281.74	\$ 3,175.18
R667993	3		\$ 41,281.74	\$ 3,175.18
R668007	3		\$ 41,281.74	\$ 3,175.18
R668008	Non-Benefitted		\$ -	\$ -
R667919	3		\$ 41,281.74	\$ 3,175.18
R667921	3		\$ 41,281.74	\$ 3,175.18
R667928	3		\$ 41,281.74	\$ 3,175.18
R667930	3		\$ 41,281.74	\$ 3,175.18
R667937	3		\$ 41,281.74	\$ 3,175.18
R667939	3		\$ 41,281.74	\$ 3,175.18
R667944	3		\$ 41,281.74	\$ 3,175.18
R667946	3		\$ 41,281.74	\$ 3,175.18
R667953	3		\$ 41,281.74	\$ 3,175.18
R667955	Non-Benefitted		\$ -	\$ -
R667962	3		\$ 41,281.74	\$ 3,175.18
R667964	3		\$ 41,281.74	\$ 3,175.18
R667969	3		\$ 41,281.74	\$ 3,175.18
R667971	3		\$ 41,281.74	\$ 3,175.18
R667978	3		\$ 41,281.74	\$ 3,175.18
R667980	3		\$ 41,281.74	\$ 3,175.18
R667987	3		\$ 41,281.74	\$ 3,175.18
R667989	3		\$ 41,281.74	\$ 3,175.18
R667994	3		\$ 41,281.74	\$ 3,175.18
R667996	3		\$ 41,281.74	\$ 3,175.18
R667998	3		\$ 41,281.74	\$ 3,175.18
R668003	3		\$ 41,281.74	\$ 3,175.18
R668005	3		\$ 41,281.74	\$ 3,175.18
R667920	3		\$ 41,281.74	\$ 3,175.18
R667922	3		\$ 41,281.74	\$ 3,175.18
R667927	3		\$ 41,281.74	\$ 3,175.18
R667929	3		\$ 41,281.74	\$ 3,175.18
R667931	3		\$ 41,281.74	\$ 3,175.18
R667936	3		\$ 41,281.74	\$ 3,175.18
R667938	Non-Benefitted		\$ -	\$ -

Property ID	Lot Type	Notes	Improvement Area #1 ^[a]	
			Outstanding Assessment ^[b]	Installment Due 1/31/2026
R667945	3		\$ 41,281.74	\$ 3,175.18
R667947	3		\$ 41,281.74	\$ 3,175.18
R667954	3		\$ 41,281.74	\$ 3,175.18
R667956	3		\$ 41,281.74	\$ 3,175.18
R667961	3		\$ 41,281.74	\$ 3,175.18
R667963	3		\$ 41,281.74	\$ 3,175.18
R667970	Non-Benefitted		\$ -	\$ -
R667972	3		\$ 41,281.74	\$ 3,175.18
R667979	3		\$ 41,281.74	\$ 3,175.18
R667981	3		\$ 41,281.74	\$ 3,175.18
R667986	3		\$ 41,281.74	\$ 3,175.18
R667988	Non-Benefitted		\$ -	\$ -
R667995	3		\$ 41,281.74	\$ 3,175.18
R667997	3		\$ 41,281.74	\$ 3,175.18
R668004	3		\$ 41,281.74	\$ 3,175.18
R668006	3		\$ 41,281.74	\$ 3,175.18
Total			\$ 10,122,999.90	\$ 778,610.32

Notes:

[a] Totals may not match the total Outstanding Assessment or Annual Installment due to rounding.

[b] Outstanding Assessment prior to 1/31/2026 Annual Installment.

[c] Until a plat has been recorded within the Improvement Area #1 Remainder Parcel, the allocable share of the Improvement Area #1 Annual Installment will be allocated to each property ID within the Improvement Area #1 Remainder Parcel based on the Williamson Central Appraisal District acreage for billing purposes only.

EXHIBIT G – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest ^[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2025	\$ -	\$ 253,328.08	\$ (253,328.08)	\$ -	\$ -	\$ -
2026	95,000.00	592,195.50	-	50,615.00	40,800.00	778,610.50
2027	100,000.00	586,638.00	-	50,140.00	41,616.00	778,394.00
2028	106,000.00	580,788.00	-	49,640.00	42,448.32	778,876.32
2029	112,000.00	574,587.00	-	49,110.00	43,297.29	778,994.29
2030	118,000.00	568,035.00	-	48,550.00	44,163.23	778,748.23
2031	125,000.00	561,132.00	-	47,960.00	45,046.50	779,138.50
2032	132,000.00	553,819.50	-	47,335.00	45,947.43	779,101.93
2033	139,000.00	546,097.50	-	46,675.00	46,866.38	778,638.88
2034	147,000.00	537,966.00	-	45,980.00	47,803.70	778,749.70
2035	155,000.00	529,366.50	-	45,245.00	48,759.78	778,371.28
2036	164,000.00	520,299.00	-	44,470.00	49,734.97	778,503.97
2037	174,000.00	510,705.00	-	43,650.00	50,729.67	779,084.67
2038	184,000.00	500,526.00	-	42,780.00	51,744.27	779,050.27
2039	194,000.00	489,762.00	-	41,860.00	52,779.15	778,401.15
2040	206,000.00	478,413.00	-	40,890.00	53,834.73	779,137.73
2041	218,000.00	466,362.00	-	39,860.00	54,911.43	779,133.43
2042	230,000.00	453,609.00	-	38,770.00	56,009.66	778,388.66
2043	244,000.00	440,154.00	-	37,620.00	57,129.85	778,903.85
2044	258,000.00	425,880.00	-	36,400.00	58,272.45	778,552.45
2045	274,000.00	410,787.00	-	35,110.00	59,437.90	779,334.90
2046	290,000.00	394,758.00	-	33,740.00	60,626.65	779,124.65
2047	307,000.00	377,793.00	-	32,290.00	61,839.19	778,922.19
2048	325,000.00	359,833.50	-	30,755.00	63,075.97	778,664.47
2049	345,000.00	340,821.00	-	29,130.00	64,337.49	779,288.49
2050	365,000.00	320,638.50	-	27,405.00	65,624.24	778,667.74
2051	387,000.00	299,286.00	-	25,580.00	66,936.72	778,802.72
2052	411,000.00	276,646.50	-	23,645.00	68,275.46	779,566.96
2053	435,000.00	252,603.00	-	21,590.00	69,640.97	778,833.97
2054	462,000.00	227,155.50	-	19,415.00	71,033.79	779,604.29
2055	489,000.00	200,128.50	-	17,105.00	72,454.46	778,687.96
2056	519,000.00	171,522.00	-	14,660.00	73,903.55	779,085.55
2057	551,000.00	141,160.50	-	12,065.00	75,381.62	779,607.12
2058	584,000.00	108,927.00	-	9,310.00	76,889.26	779,126.26
2059	620,000.00	74,763.00	-	6,390.00	78,427.04	779,580.04
2060	658,000.00	38,493.00	-	3,290.00	79,995.58	779,778.58
Total	\$ 10,123,000.00	\$ 14,164,979.08	\$ (253,328.08)	\$ 1,189,030.00	\$ 2,039,774.69	\$ 27,263,455.69

Notes:

[a] Interest is calculated at a 5.85% rate for illustrative purposes.

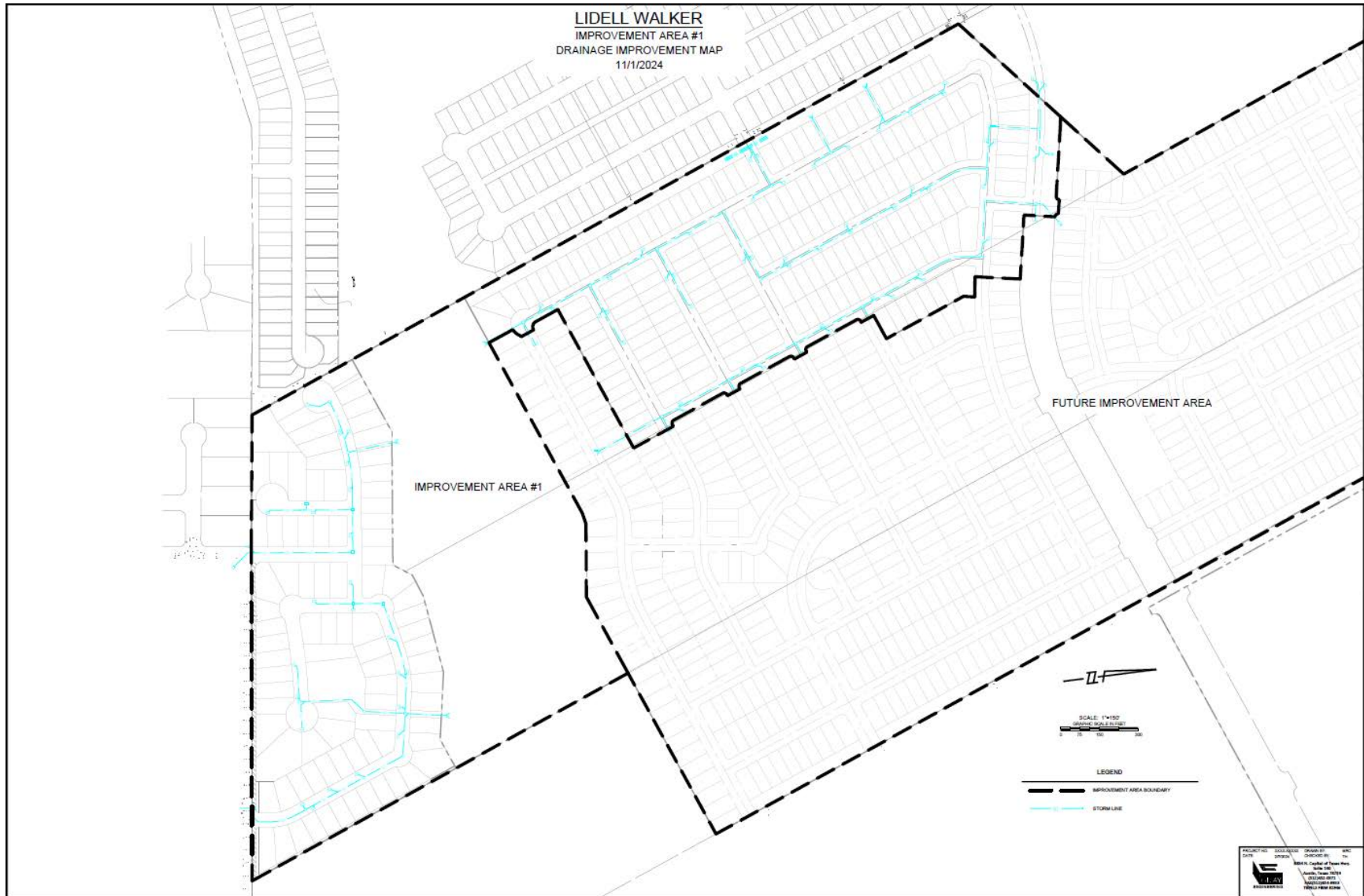
[b] The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

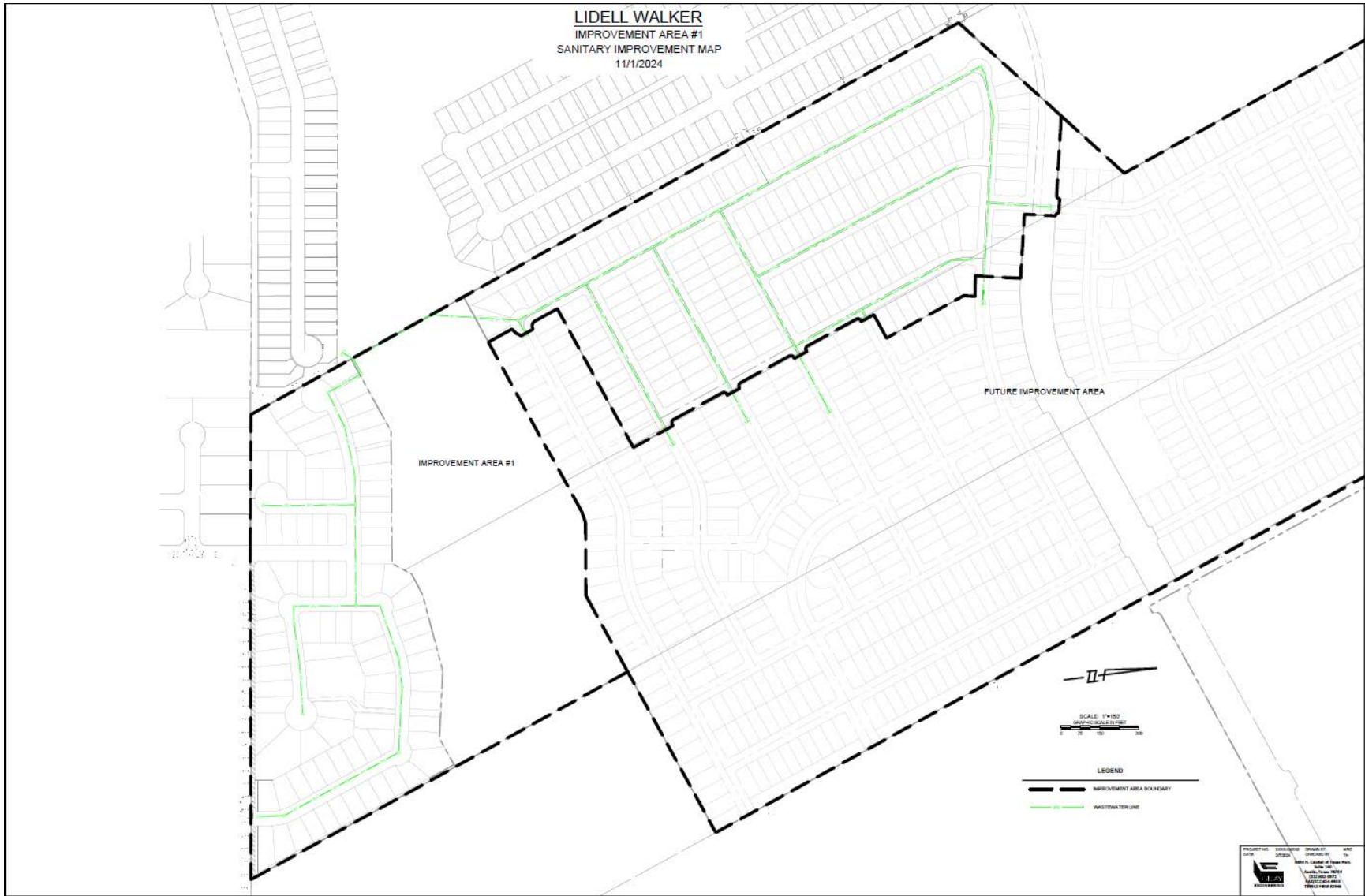
EXHIBIT H – MAXIMUM ASSESSMENT

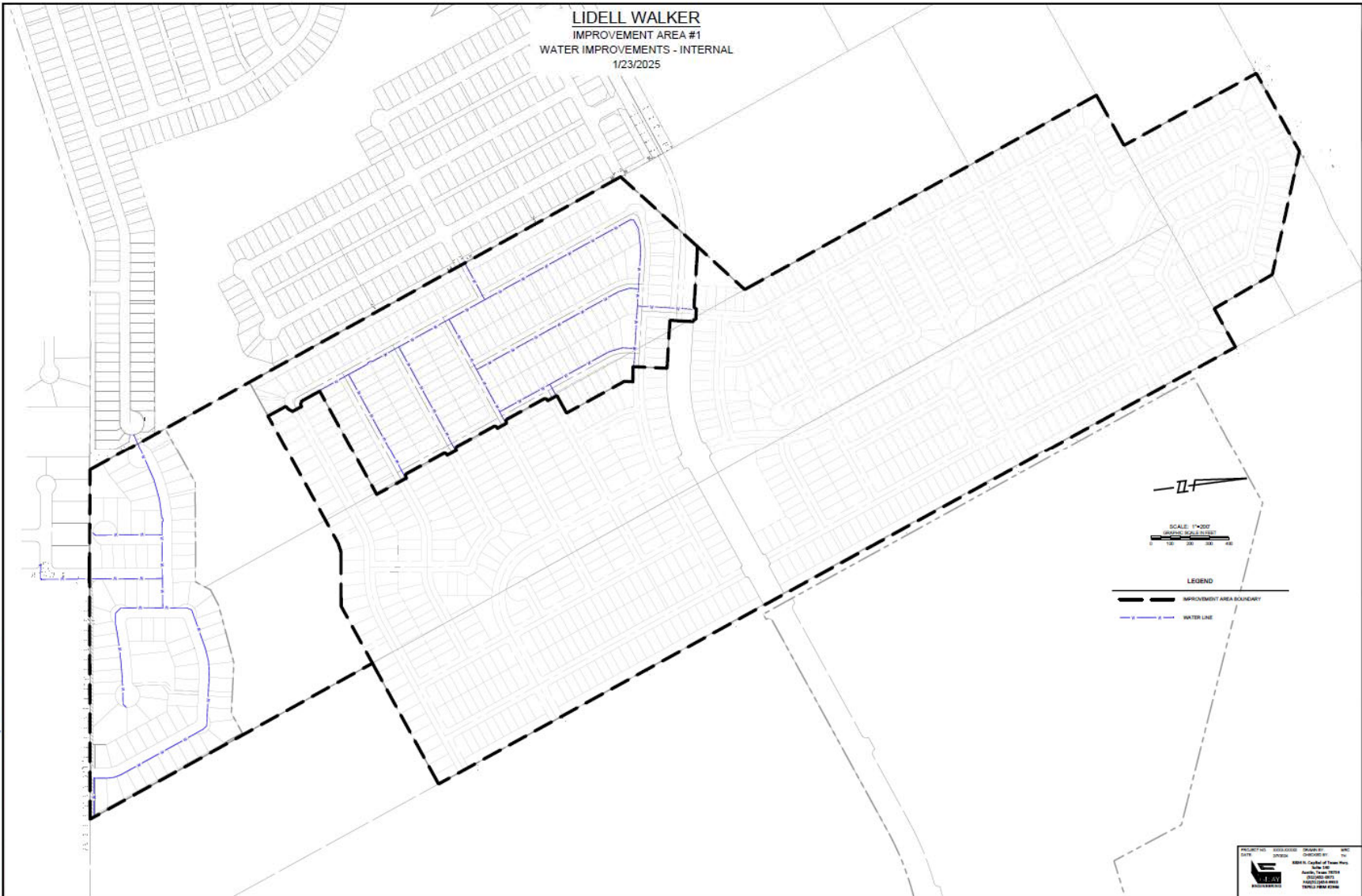
Lot Size	Lot Type	Units	Total Assessment	Maximum Assessment per Lot Type [a]
Improvement Area #1				
45'	1	140	\$ 4,585,863	\$32,756.16 Per Unit
50'	2	54	\$ 1,986,908	\$36,794.59 Per Unit
60'	3	86	\$ 3,550,229	\$41,281.74 Per Unit

[a] The Maximum Assessment per Lot Type will be reduced annually by the principal payments made as part of the Annual Installment.

EXHIBIT I-1 – MAP OF IMPROVEMENT AREA #1 IMPROVEMENTS







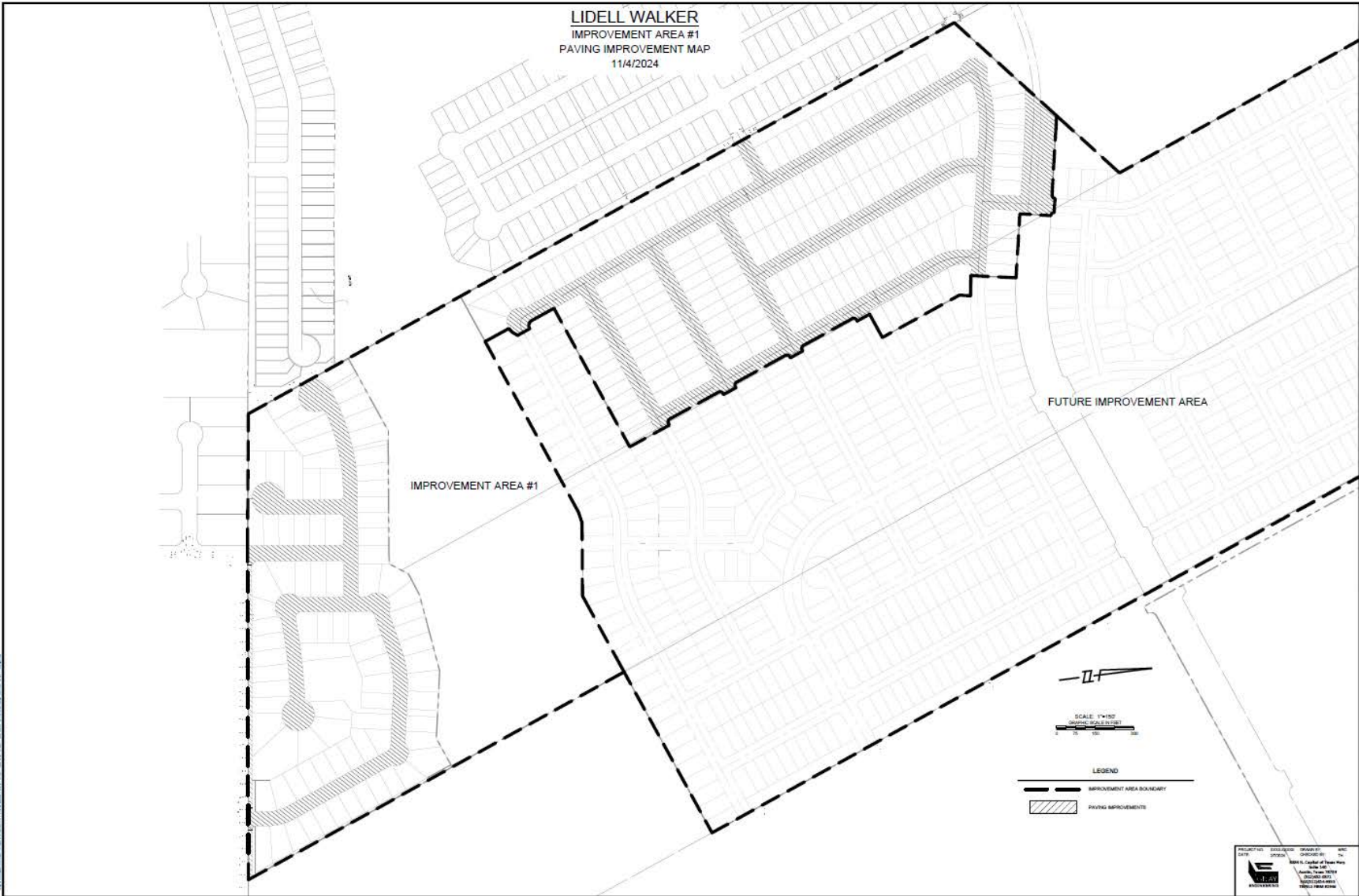


EXHIBIT I-2 – MAP OF MAJOR IMPROVEMENTS

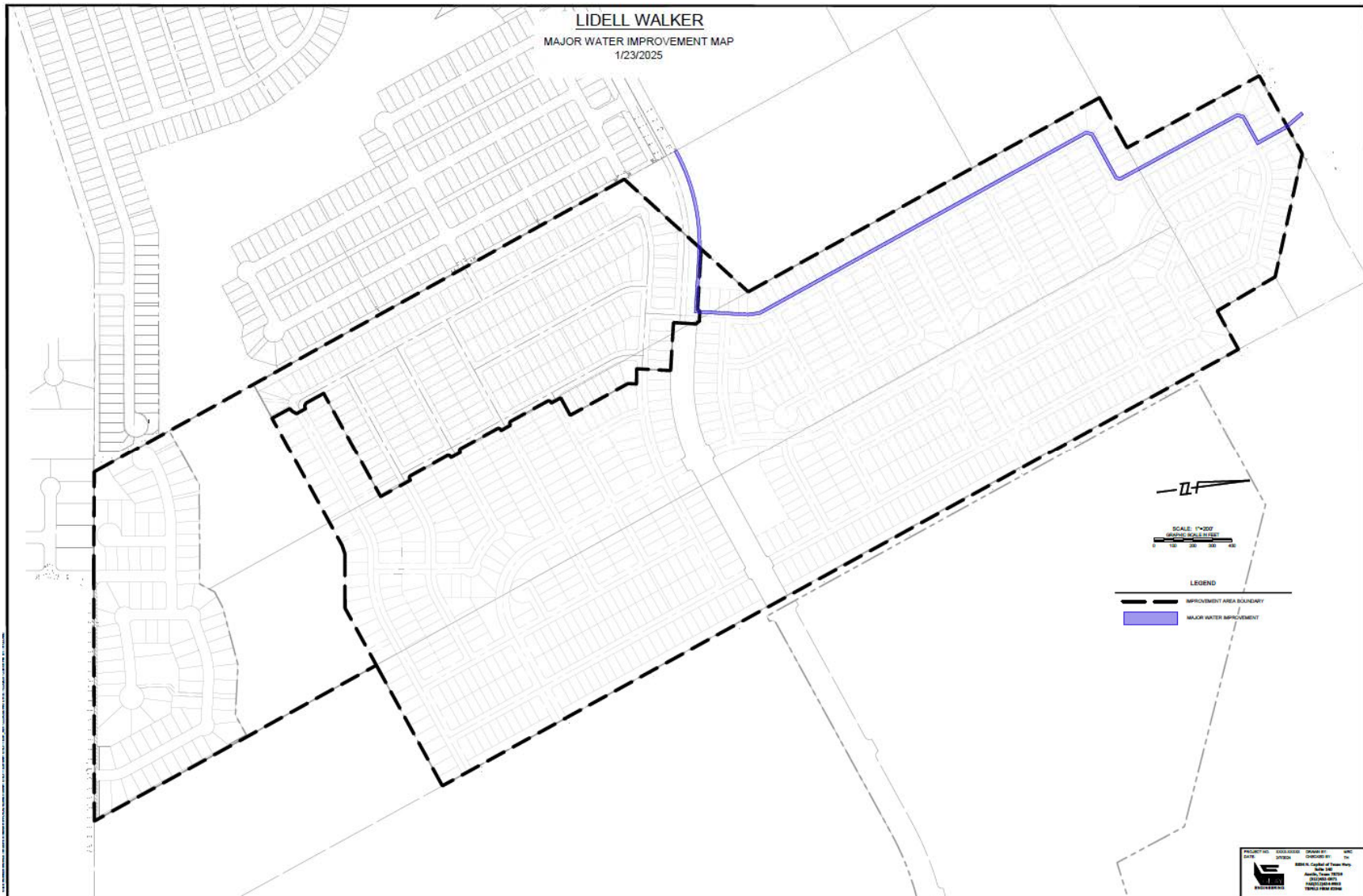


EXHIBIT J – NOTICE OF ASSESSMENT TERMINATION



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

[Date]
Williamson County Clerk's Office
Honorable [County Clerk Name]
Williamson County Clerk
405 Martin Luther King Jr St
Georgetown, TX 78626

Re: City of Hutto Lien Release documents for filing

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

Enclosed is a lien release that the City of Hutto 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 Hutto
Attn: Laura Hallmark
500 W Live Oak St
Hutto, TX 78634

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

Sincerely,
[Signature]

Jon Snyder
P: (888) 417-7074
admin@p3-works.com

AFTER RECORDING RETURN TO:

**[City Secretary Name]
500 W Live Oak St
Hutto, TX 78634**

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 WILLIAMSON	§	

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

RECITALS

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

WHEREAS, on or about July 6, 2023, the City Council for the City, approved Resolution R-2023-140, creating the Lidell Walker Public Improvement District; and

WHEREAS, on or about October 21, 2024 the City, upon written request from the Owner, formally changed the name of the District to "Prairie Winds Public Improvement District"; and

WHEREAS, the Prairie Winds Public Improvement District consists of approximately 263.021 contiguous acres located within the extraterritorial jurisdiction of the City; and

WHEREAS, on or about _____ the City Council, approved Ordinance No. _____, (hereinafter referred to as the "Improvement Area #1 Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within Improvement Area #1 of the Prairie Winds Public Improvement District; and

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

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

WHEREAS, the property owners of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Williamson 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 HUTTO, TEXAS,
A Texas home rule municipality,

By: _____
James Earp, City Manager

ATTEST:

Laura Hallmark, City Secretary

STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the ____ day of _____, 20__, by James Earp, City Manager for the City of Hutto, Texas, a Texas home rule municipality, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT K - ESTIMATED BUILDOUT VALUE

Lot Type	Units	Estimated Buildout Value Per Unit	Total Estimated Buildout Value	% Allocation for		% Allocation for Major Improvements
				Improvement Area #1 Bonds	Improvement Area #1 Assessment	
Improvement Area #1						
1	140 lots	\$ 365,000	\$ 51,100,000	45.30%	\$ 4,585,863	
2	54 lots	\$ 410,000	\$ 22,140,000	19.63%	\$ 1,986,908	
3	86 lots	\$ 460,000	\$ 39,560,000	35.07%	\$ 3,550,229	
Total			\$ 112,800,000	100%	\$ 10,123,000	26.52%
Future Improvement Areas						
45'	498 lots	\$ 365,000	\$ 181,770,000	0.00%	\$ -	
50'	282 lots	\$ 410,000	\$ 115,620,000	0.00%	\$ -	
60'	33 lots	\$ 460,000	\$ 15,180,000	0.00%	\$ -	
			\$ 312,570,000	0%	\$ -	73.48%
Total			\$ 425,370,000			100.00%

EXHIBIT L – LOT TYPE CLASSIFICATION MAP

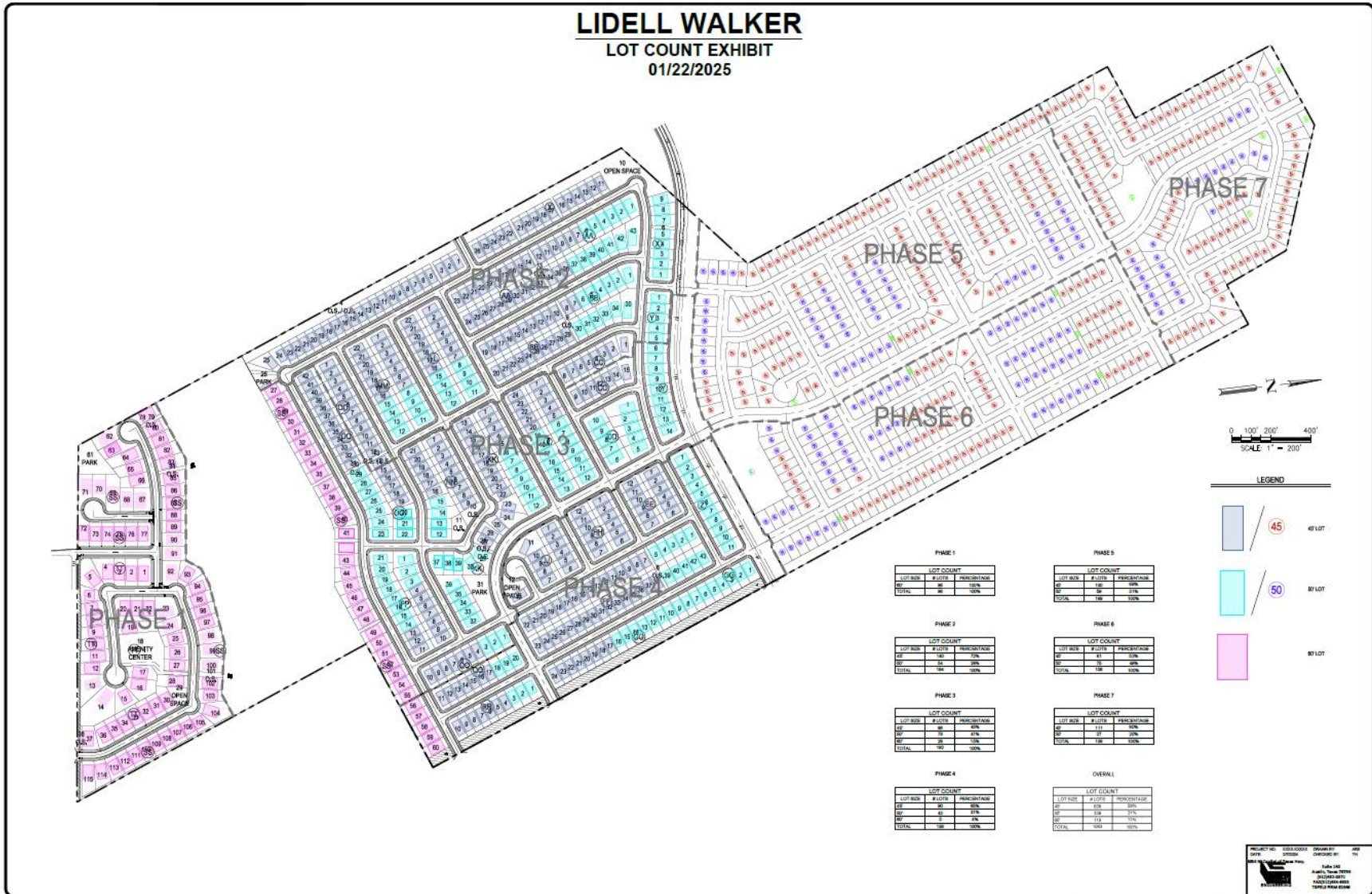


EXHIBIT M – BUYER DISCLOSURES

Buyer Disclosures for the following Lot Types are found in this Exhibit:

- Improvement Area #1 Remainder Parcel
- Lot Type 1
- Lot Type 2
- Lot Type 3

PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1
REMAINDER 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 RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

**IMPROVEMENT AREA #1 REMAINDER PARCEL PRINCIPAL ASSESSMENT:
\$6,572,770.57**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Hutto, 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 *Prairie Winds 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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 Williamson 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 Williamson 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 Williamson County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 REMAINDER PARCEL

Installments Due 1/31	Principal	Interest ^[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2025	\$ -	\$ 164,483.59	\$ (164,483.59)	\$ -	\$ -	\$ -
2026	61,682.62	384,507.08	-	32,863.85	26,491.06	505,544.62
2027	64,929.08	380,898.64	-	32,555.44	27,020.89	505,404.05
2028	68,824.82	377,100.29	-	32,230.79	27,561.30	505,717.21
2029	72,720.57	373,074.04	-	31,886.67	28,112.53	505,793.81
2030	76,616.31	368,819.89	-	31,523.07	28,674.78	505,634.05
2031	81,161.35	364,337.83	-	31,139.99	29,248.28	505,887.44
2032	85,706.38	359,589.90	-	30,734.18	29,833.24	505,863.70
2033	90,251.42	354,576.07	-	30,305.65	30,429.91	505,563.04
2034	95,445.74	349,296.36	-	29,854.39	31,038.50	505,635.00
2035	100,640.07	343,712.79	-	29,377.16	31,659.27	505,389.29
2036	106,483.69	337,825.34	-	28,873.96	32,292.46	505,475.45
2037	112,976.60	331,596.05	-	28,341.54	32,938.31	505,852.49
2038	119,469.50	324,986.92	-	27,776.66	33,597.07	505,830.15
2039	125,962.41	317,997.95	-	27,179.31	34,269.02	505,408.69
2040	133,753.90	310,629.15	-	26,549.50	34,954.40	505,886.95
2041	141,545.39	302,804.55	-	25,880.73	35,653.48	505,884.15
2042	149,336.88	294,524.14	-	25,173.00	36,366.55	505,400.58
2043	158,426.95	285,787.93	-	24,426.32	37,093.88	505,735.09
2044	167,517.02	276,519.96	-	23,634.18	37,835.76	505,506.93
2045	177,905.67	266,720.21	-	22,796.60	38,592.48	506,014.96
2046	188,294.33	256,312.73	-	21,907.07	39,364.33	505,878.45
2047	199,332.27	245,297.51	-	20,965.60	40,151.61	505,746.99
2048	211,019.50	233,636.57	-	19,968.94	40,954.65	505,579.66
2049	224,005.32	221,291.93	-	18,913.84	41,773.74	505,984.83
2050	236,991.13	208,187.62	-	17,793.81	42,609.21	505,581.78
2051	251,275.53	194,323.64	-	16,608.86	43,461.40	505,669.43
2052	266,858.51	179,624.02	-	15,352.48	44,330.63	506,165.64
2053	282,441.49	164,012.80	-	14,018.19	45,217.24	505,689.71
2054	299,972.34	147,489.97	-	12,605.98	46,121.58	506,189.88
2055	317,503.19	129,941.59	-	11,106.12	47,044.02	505,594.92
2056	336,981.91	111,367.65	-	9,518.60	47,984.90	505,853.07
2057	357,759.22	91,654.21	-	7,833.69	48,944.59	506,191.72
2058	379,185.82	70,725.30	-	6,044.90	49,923.49	505,879.49
2059	402,560.28	48,542.93	-	4,148.97	50,921.95	506,174.13
2060	427,233.33	24,993.15	-	2,136.17	51,940.39	506,303.04
Total	\$ 6,572,770.57	\$ 9,197,190.32	\$ (164,483.59)	\$ 772,026.22	\$ 1,324,406.90	\$ 17,701,910.41

Notes:

[a] Interest is calculated at a 5.85% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT – 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 RECORDING² RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$32,756.16

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Hutto, 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 *Prairie Winds 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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 Williamson 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 Williamson 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 Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Installments Due 1/31	Principal	Interest ^[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2025	\$ -	\$ 819.72	\$ (819.72)	\$ -	\$ -	\$ -
2026	307.40	1,916.24	-	163.78	132.02	2,519.44
2027	323.58	1,898.25	-	162.24	134.66	2,518.74
2028	343.00	1,879.32	-	160.63	137.35	2,520.30
2029	362.41	1,859.26	-	158.91	140.10	2,520.68
2030	381.83	1,838.06	-	157.10	142.90	2,519.89
2031	404.48	1,815.72	-	155.19	145.76	2,521.15
2032	427.13	1,792.06	-	153.17	148.68	2,521.03
2033	449.78	1,767.07	-	151.03	151.65	2,519.53
2034	475.66	1,740.76	-	148.78	154.68	2,519.89
2035	501.55	1,712.93	-	146.40	157.78	2,518.67
2036	530.67	1,683.59	-	143.90	160.93	2,519.10
2037	563.03	1,652.55	-	141.24	164.15	2,520.97
2038	595.39	1,619.61	-	138.43	167.43	2,520.86
2039	627.75	1,584.78	-	135.45	170.78	2,518.76
2040	666.58	1,548.06	-	132.31	174.20	2,521.15
2041	705.41	1,509.06	-	128.98	177.68	2,521.13
2042	744.24	1,467.80	-	125.45	181.24	2,518.72
2043	789.54	1,424.26	-	121.73	184.86	2,520.39
2044	834.84	1,378.07	-	117.78	188.56	2,519.25
2045	886.61	1,329.23	-	113.61	192.33	2,521.78
2046	938.39	1,277.36	-	109.18	196.18	2,521.10
2047	993.40	1,222.47	-	104.48	200.10	2,520.45
2048	1,051.64	1,164.35	-	99.52	204.10	2,519.61
2049	1,116.36	1,102.83	-	94.26	208.18	2,521.63
2050	1,181.07	1,037.53	-	88.68	212.35	2,519.63
2051	1,252.26	968.43	-	82.77	216.59	2,520.06
2052	1,329.92	895.18	-	76.51	220.93	2,522.53
2053	1,407.58	817.38	-	69.86	225.35	2,520.16
2054	1,494.95	735.03	-	62.82	229.85	2,522.66
2055	1,582.31	647.58	-	55.35	234.45	2,519.69
2056	1,679.39	555.01	-	47.44	239.14	2,520.98
2057	1,782.93	456.77	-	39.04	243.92	2,522.66
2058	1,889.72	352.47	-	30.13	248.80	2,521.11
2059	2,006.21	241.92	-	20.68	253.78	2,522.58
2060	2,129.17	124.56	-	10.65	258.85	2,523.22
Total	\$ 32,756.16	\$ 45,835.26	\$ (819.72)	\$ 3,847.48	\$ 6,600.33	\$ 88,219.52

Notes:

[a] Interest is calculated at a 5.85% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT – 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 RECORDING³ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$36,794.59

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Hutto, 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 *Prairie Winds 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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 Williamson 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 Williamson 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 Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 2

Installments Due 1/31	Principal	Interest ^[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2025	\$ -	\$ 920.78	\$ (920.78)	\$ -	\$ -	\$ -
2026	345.30	2,152.48	-	183.97	148.30	2,830.06
2027	363.48	2,132.28	-	182.25	151.26	2,829.27
2028	385.28	2,111.02	-	180.43	154.29	2,831.02
2029	407.09	2,088.48	-	178.50	157.37	2,831.45
2030	428.90	2,064.67	-	176.47	160.52	2,830.56
2031	454.34	2,039.58	-	174.32	163.73	2,831.98
2032	479.79	2,013.00	-	172.05	167.01	2,831.84
2033	505.23	1,984.93	-	169.65	170.35	2,830.16
2034	534.31	1,955.37	-	167.13	173.75	2,830.56
2035	563.39	1,924.12	-	164.45	177.23	2,829.19
2036	596.10	1,891.16	-	161.64	180.77	2,829.67
2037	632.45	1,856.29	-	158.66	184.39	2,831.78
2038	668.79	1,819.29	-	155.49	188.08	2,831.65
2039	705.14	1,780.16	-	152.15	191.84	2,829.29
2040	748.76	1,738.91	-	148.63	195.68	2,831.97
2041	792.38	1,695.11	-	144.88	199.59	2,831.96
2042	835.99	1,648.76	-	140.92	203.58	2,829.25
2043	886.88	1,599.85	-	136.74	207.65	2,831.12
2044	937.77	1,547.97	-	132.30	211.81	2,829.84
2045	995.92	1,493.11	-	127.62	216.04	2,832.69
2046	1,054.08	1,434.85	-	122.64	220.36	2,831.92
2047	1,115.87	1,373.18	-	117.37	224.77	2,831.19
2048	1,181.29	1,307.91	-	111.79	229.27	2,830.25
2049	1,253.99	1,238.80	-	105.88	233.85	2,832.52
2050	1,326.68	1,165.44	-	99.61	238.53	2,830.26
2051	1,406.65	1,087.83	-	92.98	243.30	2,830.75
2052	1,493.88	1,005.54	-	85.94	248.16	2,833.53
2053	1,581.12	918.15	-	78.47	253.13	2,830.87
2054	1,679.26	825.65	-	70.57	258.19	2,833.67
2055	1,777.39	727.42	-	62.17	263.35	2,830.34
2056	1,886.44	623.44	-	53.29	268.62	2,831.78
2057	2,002.75	513.08	-	43.85	273.99	2,833.68
2058	2,122.70	395.92	-	33.84	279.47	2,831.93
2059	2,253.55	271.74	-	23.23	285.06	2,833.58
2060	2,391.67	139.91	-	11.96	290.76	2,834.30
Total	\$ 36,794.59	\$ 51,486.18	\$ (920.78)	\$ 4,321.83	\$ 7,414.07	\$ 99,095.89

Notes:

[a] Interest is calculated at a 5.85% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT – LOT TYPE 3 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 RECORDING⁴ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE 3 PRINCIPAL ASSESSMENT: \$41,281.74

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Hutto, 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 *Prairie Winds 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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 Williamson 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 Williamson 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 Williamson County.

ANNUAL INSTALLMENTS - LOT TYPE 3

Installments Due 1/31	Principal	Interest ^[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2025	\$ -	\$ 1,033.08	\$ (1,033.08)	\$ -	\$ -	\$ -
2026	387.41	2,414.98	-	206.41	166.38	3,175.18
2027	407.80	2,392.32	-	204.47	169.71	3,174.30
2028	432.27	2,368.46	-	202.43	173.10	3,176.27
2029	456.74	2,343.17	-	200.27	176.57	3,176.75
2030	481.21	2,316.45	-	197.99	180.10	3,175.75
2031	509.75	2,288.30	-	195.58	183.70	3,177.34
2032	538.30	2,258.48	-	193.03	187.37	3,177.19
2033	566.84	2,226.99	-	190.34	191.12	3,175.30
2034	599.47	2,193.83	-	187.51	194.94	3,175.75
2035	632.09	2,158.76	-	184.51	198.84	3,174.21
2036	668.79	2,121.79	-	181.35	202.82	3,174.75
2037	709.57	2,082.66	-	178.01	206.88	3,177.12
2038	750.35	2,041.15	-	174.46	211.01	3,176.98
2039	791.13	1,997.26	-	170.71	215.23	3,174.33
2040	840.07	1,950.98	-	166.75	219.54	3,177.33
2041	889.01	1,901.83	-	162.55	223.93	3,177.32
2042	937.94	1,849.82	-	158.10	228.41	3,174.28
2043	995.04	1,794.95	-	153.41	232.98	3,176.38
2044	1,052.13	1,736.74	-	148.44	237.64	3,174.95
2045	1,117.38	1,675.20	-	143.18	242.39	3,178.14
2046	1,182.62	1,609.83	-	137.59	247.24	3,177.28
2047	1,251.95	1,540.65	-	131.68	252.18	3,176.46
2048	1,325.35	1,467.41	-	125.42	257.22	3,175.40
2049	1,406.91	1,389.87	-	118.79	262.37	3,177.95
2050	1,488.48	1,307.57	-	111.76	267.62	3,175.42
2051	1,578.19	1,220.49	-	104.32	272.97	3,175.97
2052	1,676.06	1,128.17	-	96.42	278.43	3,179.09
2053	1,773.94	1,030.12	-	88.04	284.00	3,176.10
2054	1,884.04	926.34	-	79.17	289.68	3,179.24
2055	1,994.15	816.13	-	69.75	295.47	3,175.50
2056	2,116.49	699.47	-	59.78	301.38	3,177.12
2057	2,246.99	575.65	-	49.20	307.41	3,179.25
2058	2,381.56	444.21	-	37.97	313.56	3,177.29
2059	2,528.37	304.88	-	26.06	319.83	3,179.14
2060	2,683.33	156.98	-	13.42	326.22	3,179.95
Total	\$ 41,281.74	\$ 57,764.99	\$ (1,033.08)	\$ 4,848.88	\$ 8,318.23	\$ 111,180.76

Notes:

[a] Interest is calculated at a 5.85% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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*[An opinion in substantially the following form will be delivered by McCall,
Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the
Bonds, assuming no material changes in facts or law.]*

_____, 2025

**CITY OF HUTTO, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(PRAIRIE WIND PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)
IN THE PRINCIPAL AMOUNT OF \$ _____**

AS BOND COUNSEL for the City of Hutto, in Williamson County, Texas (the "Issuer"), we have examined into the legality and validity of the issue of the bonds described above (the "Bonds"), which bear interest from the dates and mature on the dates stated on the face of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") and the Trust Indenture (as defined below).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the Issuer and other pertinent instruments furnished by the Issuer relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Issuer upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to governmental immunity, bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the Issuer which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Indenture of Trust between the Issuer and Wilmington Trust, National Association, dated as of _____, 2025, (the "Trust Indenture"), (ii) the covenants and agreements in the Trust Indenture constitute valid and binding obligations of the Issuer, (iii) the Bonds constitute valid and legally binding special obligations of the Issuer secured as Bonds under the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.

THE ISSUER has reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

600 Congress Avenue
Suite 2150
Austin, Texas 78701
T 512.478.3805
F 512.472.0871

717 North Harwood
Suite 900
Dallas, Texas 75201
T 214.754.9200
F 214.754.9250

8 Greenway Plaza
Suite 1025
Houston, Texas 77046
T 713.980.0500
F 713.980.0510

112 East Pecan Street
Suite 1310
San Antonio, Texas 78205
T 210.225.2800
F 210.225.2984



IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance by the Issuer with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed, and refinanced, therewith. In expressing the aforementioned opinions, we have relied on certain representations and covenants regarding the use and investment of the proceeds of the Bonds. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the



Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the Issuer's Limited Offering Memorandum prepared for use in connection with the sale of the Bonds has been limited as described therein.

THE FOREGOING OPINIONS represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

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APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

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**CITY OF HUTTO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer dated as of March 1, 2025 (this “Disclosure Agreement”) is executed and delivered by and among the City of Hutto, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and Wilmington Trust, National Association, acting solely in its capacity as the dissemination agent (the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2025 (Prairie Winds Public Improvement District Improvement Area #1)” (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 March 1, 2025, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the Issuer or the person or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the current Administrator.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual 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.

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

“Developer” and “Developers” shall mean individually, the Managing Developer and the Non-Managing Developer as applicable, and collectively, the Managing Developer and the Non-Managing Developer.

“Disclosure Agreement of Managing Developer” shall mean the Continuing Disclosure Agreement of Managing Developer relating to the Bonds dated as of March 1, 2025 executed and delivered by the Managing Developer, the Administrator and the Dissemination Agent.

“Disclosure Agreement of Non-Managing Developer” shall mean the Continuing Disclosure Agreement of Non-Managing Developer relating to the Bonds dated as of March 1, 2025 executed and delivered by the Non-Managing Developer, the Administrator and the Dissemination Agent.

“Disclosure Representative” shall mean the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean Wilmington Trust, National Association, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Prairie Winds Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“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 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 calendar year from October 1 through September 30.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Assessments” shall have the meaning assigned to such term in the Indenture.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Managing Developer” shall mean GRBK Edgewood LLC, an Arizona limited liability company, and its designated successors and assigns.

“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.

“Non-Managing Developer” shall mean Meritage Homes of Texas, LLC, an Arizona limited liability company.

“Outstanding” shall mean, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under the 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 the Indenture, (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to the Indenture, and (iv) Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in the Indenture.

“Owner” shall mean the registered owner of any Bonds.

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

“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.

“Trustee” shall mean Wilmington Trust, National Association, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as trustee, or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) The Issuer shall, not later than six (6) months after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ending September 30, 2025, provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, an Annual Issuer Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. 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 date by which the Issuer otherwise would be required to provide the Annual Issuer Report pursuant to Section 4 of this Disclosure Agreement. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Upon delivery by the Issuer of the Annual Issuer Report to the Dissemination Agent together with written instructions to file such report with the MSRB, the Dissemination Agent shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report on the date required in subsection (a); 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 together with written instructions to file such with the MSRB and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer stating 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 confirmation 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, the following:

(a) Within six (6) months after the end of each Fiscal Year the Annual Financial Information of the Issuer (any or all of which may be unaudited) being:

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and principal amount remaining Outstanding;

(B) The amounts in the funds and accounts under the Indenture securing the Bonds and a description of the related investments; and

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type, in substantially similar form to that shown in the tables provided under Sections 4(a)(ii)(A) and 4(a)(ii)(B) of Exhibit B attached hereto. Such information shall be provided: (a) as of the end of the Fiscal Year (for tables in Section 4(a)(ii)(A) of Exhibit B), and (b) both as of the end of the Fiscal Year and through February 1 of the calendar year immediately succeeding such Fiscal Year (for tables in Section 4(a)(ii)(B) of Exhibit B).

(iii) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a “SAP Update”), including any changes to the methodology for levying the Improvement Area #1 Assessments in Improvement Area #1.

(iv) Until building permits have been issued for parcels or lots representing, in the aggregate, ninety-five percent (95%) of the total Improvement Area #1 Assessments levied within Improvement Area #1, the Annual Issuer Report (in the SAP Update or otherwise) shall include the number of certificates of occupancy (“COs”) issued for new homes completed in Improvement Area #1 during such Fiscal Year and the aggregate number of COs issued for new homes completed within Improvement Area #1 since filing the initial Annual Issuer Report for Fiscal Year ending September 30, 2025.

(v) If the total amount of delinquencies greater than 150 days equals or exceeds ten percent (10%) of the amount of Improvement Area #1 Assessments due in any fiscal year, a list of delinquent property owners.

(vi) 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) If not provided with the financial information provided under subsection 4(a) above, if prepared and when available, the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If such audited financial statements are not complete within the 12-month period after the end of the Fiscal Year, then the Issuer shall provide unaudited financial statements within such 12-month period and shall provide audited financial statements for the applicable Fiscal Year when and if the audit report on such statements becomes available.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs.

(c) The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator shall prepare and provide the Annual Financial Information required (except for the information of the type included under the heading “Debt Service Requirements on the Bonds” and audited or unaudited financial statements of the Issuer) under Section 4(a) above to the Dissemination Agent no later than five (5) Business Days prior to the day that is six (6) months after the end of each Fiscal Year. If no Administrator has been designated, the Issuer shall prepare and provide the Annual Financial Information required under Section 4(a) above to the Dissemination Agent no later than five (5) Business Days prior to the day that is six (6) months after the end of each Fiscal Year.

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.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds,
if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The Issuer does not intend for any sale by the Developers of real property within Improvement Area #1 in the ordinary course of the Developers' business to be considered a significant 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.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent in writing to file a notice of such occurrence with the MSRB; provided, however, the Issuer shall deliver such written notice to the Dissemination Agent within seven (7) Business Days of the occurrence of such Listed Event in order for the Dissemination Agent to timely file such notice in a timely manner with the MSRB through EMMA. 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 Rule's ten (10) Business Day filing requirement.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide annual audited financial statements (or unaudited financial statements, if audited financial statements are not available) or Annual Financial Information as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting "Notice To MSRB of Failure To File."

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written direction 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 (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made pursuant to Sections 4 and 5 of this Disclosure Agreement. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 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 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 the Business Day immediately following the day on which it receives written instructions from the Issuer. 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 Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any 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 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 6. 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 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 Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until it receives 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 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 5(a).

SECTION 7. 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 at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Wilmington Trust, National Association. The Dissemination Agent may resign at any time with thirty (30) days’ written notice to the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any

reasonable amendment so requested by the Issuer in writing), 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, or 5(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 Issuer Report, 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 5(a), and (ii) the Annual Issuer Report 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 9. 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 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 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 or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction against all costs, fees, expenses and liabilities for such actions), or any Owner or beneficial owner of the Bonds

may, take such actions as may be necessary and appropriate to cause the Issuer, as the case may be, 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 by the Issuer shall not be deemed a default under the Disclosure Agreement of Managing Developer by the Managing Developer or under the Disclosure Agreement of Non-Managing Developer by the Non-Managing Developer, and a default under the Disclosure Agreement of Managing Developer by the Managing Developer or a default under the Disclosure Agreement of Non-Managing Developer by the Non-Managing Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) Notwithstanding anything to the contrary contained herein, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Issuer Report) prepared by the Issuer 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. 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 WITH FUNDS TO BE PROVIDED BY THE DEVELOPERS OR 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 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 DISSEMINATION AGENT'S GROSS 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 Developers or the failure of the respective Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Managing Developer or the Disclosure Agreement of Non-Managing Developer. The indemnification of the Dissemination Agent as provided in this section shall remain in full force and effect if liabilities directly or indirectly result from, arise out of, or relate to, or are asserted to have resulted from, arisen out of, or related to, the sole or contributory negligence of the Dissemination Agent. The obligations of the Issuer under this Section shall survive the 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 shall not be responsible for the Issuer's failure to submit a complete Annual Issuer Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the

Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or 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. The Dissemination Agent shall not be liable for 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. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developers or 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 respective Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Managing Developer or the Disclosure Agreement of Non-Managing Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, THE ADMINISTRATOR, OR THE DISSEMINATION AGENT, RESPECTIVELY, 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 OR THE ADMINISTRATOR IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Improvement Area #1 Assessments and the anticipated procedures for pursuing the collection of delinquent Improvement Area #1 Assessments is set forth in Exhibit C which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Improvement Area #1 Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any past, present or future council members, officer, agent or employee of the Issuer, the Administrator, or Dissemination Agent in other than that person's official capacity.

SECTION 14. 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 15. 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 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the

Owners and the beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. 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 18. Statutory Verifications. The Dissemination Agent and the Administrator, each respectively, make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Disclosure Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) Not a Sanctioned Company. The Dissemination Agent and the Administrator, each respectively, represent that neither the Dissemination Agent, the Administrator, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not have a practice, policy, guidance, or

directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) **No Boycott of Energy Companies.** The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 19. 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.

SECTION 20. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas and all obligations of the Parties are performable in Williamson County, Texas. Venue for any action to enforce or construe this Agreement shall be in Williamson County, Texas. 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 Disclosure Agreement.

SECTION 21. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow.]

CITY OF HUTTO, TEXAS

By: _____
Mike Snyder, Mayor

ATTEST:

By: _____
Laura Hallmark, City Secretary

WILMINGTON TRUST, NATIONAL
ASSOCIATION
(solely in its capacity 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**

Name of Issuer: City of Hutto, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Prairie Winds
Public Improvement District Improvement Area #1)
Date of Delivery: _____, 20__
CUSIP Numbers: [Insert CUSIP Numbers]

NOTICE IS HEREBY GIVEN that the City of Hutto, Texas, has not provided [an Annual Issuer Report] [annual audited financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated as of March 1, 2025, between the Issuer, P3Works, LLC, as Administrator and Wilmington Trust, National Association, as Dissemination Agent. The Issuer anticipates that [the Annual Issuer Report] [annual audited financial statements] will be filed by _____.

Dated: _____

Wilmington Trust, National Association,
on behalf of the City of Hutto, Texas
(solely in its capacity as Dissemination Agent)

By: _____

Title: _____

cc: City of Hutto, Texas

EXHIBIT B

**CITY OF HUTTO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)**

ANNUAL ISSUER REPORT*

Delivery Date: _____, 20__

CUSIP Numbers: [insert CUSIP Numbers]

DISSEMINATION AGENT

Name: Wilmington Trust, National Association
Address: 15950 North Dallas Parkway Suite 200
City: Dallas, Texas 75248
Telephone: 714-384-4174
Contact Person: Attn: Parker Merritt

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

Section 4(a)(i)(B)

INVESTMENTS

Fund/Account Name	Investment Description	Par Value	Book Value	Market Value

* Excluding Audited Financial Statements of the Issuer

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

ASSETS

Bonds (Principal Balance) _____
 Funds and Accounts [list] _____
 TOTAL ASSETS _____

LIABILITIES

Outstanding Bond Principal _____
 Outstanding Program Expenses (if any) _____
 TOTAL LIABILITIES _____

EQUITY

Assets Less Liabilities _____
 Parity Ratio _____

Form of Accounting Cash Accrual Modified Accrual

Section 4(a)(ii)(A)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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Top Improvement Area #1 Assessment Payers⁽¹⁾

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Improvement</u> <u>Area #1</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Improvement</u> <u>Area #1</u> <u>Assessments</u>
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⁽¹⁾ Does not include those owing less than one percent (1%) of total Improvement Area #1 Assessments.

Assessed Value of the Improvement Area #1 of the District

The [YEAR] certified total assessed value for the land in the Improvement Area #1 of the District is approximately \$[AMOUNT] according to the Williamson Central Appraisal District.

Section 4(a)(ii)(B)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR AND AS OF FEBRUARY 1 OF THE NEXT SUCCEEDING YEAR

Foreclosure History Related to the Improvement Area #1 Assessments

<u>Time Period</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Improvement Area #1 Assessment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.

Collection and Delinquency History of Improvement Area #1 Assessments

<u>Time Period</u>	<u>Total Improvement Area #1 Assessment Levied</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 2/1</u>	<u>Delinquent % as of 2/1</u>	<u>Delinquent Amount as of 9/1</u>	<u>Delinquent % as of 9/1</u>	<u>Total Improvement Area #1 Assessments Collected⁽²⁾</u>
[FISCAL YEAR END]	\$		\$	%	\$	%	\$
[FEB 1. OF CURRENT YEAR] ⁽³⁾	\$		\$	%	N/A	N/A	\$

⁽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"). Pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 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.

⁽³⁾ Collected as of February 1, 20__.

History of Prepayment of Improvement Area #1 Assessments

<u>Time Period</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u>	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u>
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.

ITEMS REQUIRED BY SECTION 4(a)(iii) - (vi)
[Insert a line item for each applicable listing]

EXHIBIT C

**BASIC EXPECTED TIMELINE FOR IMPROVEMENT AREA #1 ASSESSMENT
COLLECTIONS AND PURSUIT OF DELINQUENCIES***

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Improvement Area #1 Assessments are due.
February 1	1	Improvement Area #1 Assessments delinquent if not received.
February 15	15	<p>Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.</p> <p>Issuer and/or Administrator should be aware of actual and specific delinquencies</p> <p>Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Trustee and the Dissemination Agent should be immediately notified in writing.</p> <p>Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.</p> <p>At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Improvement Area #1 Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure.</p>

* Illustrates anticipated dates and procedures for pursuing the collection of delinquent Improvement Area #1 Assessments, which dates and procedures are subject to adjustment.

If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.

March 15 43/44

Trustee as Paying Agent / Registrar pays bond interest payments to Owners pursuant to the terms of the Indenture.

Issuer, or the Trustee on behalf of and at the direction 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

Issuer, or the Administrator on behalf and at the direction of the Issuer pursuant to the terms of the Indenture, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments.

Issuer and/or Administrator to notify Dissemination Agent in writing for disclosure to MSRB of all delinquencies.

Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the Indenture, Trustee requests that the Issuer commence foreclosure or provide plan for collection and deliver such plan to the Dissemination Agent.

August 15 197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide

periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF MANAGING DEVELOPER

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**CITY OF HUTTO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)**

CONTINUING DISCLOSURE AGREEMENT OF MANAGING DEVELOPER

This Continuing Disclosure Agreement of Managing Developer dated as of March 1, 2025 (this “Disclosure Agreement”), is executed and delivered by and among GRBK Edgewood LLC, a Texas limited liability company (the “Managing Developer”), P3Works, LLC (the “Administrator”), and Wilmington Trust, National Association, acting solely in its capacity as dissemination agent (the “Dissemination Agent”) with respect to the captioned bonds (the “Bonds”). The Managing 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 Managing 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 March 1, 2025, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC, as the initial Administrator.

“Affiliate” shall mean an entity that owns property within Improvement Area #1 of the District and is controlled by, controls, or is under common control with the Managing Developer.

“Amenities” shall mean those public and private amenities to serve the District, including (a) parks and open space to be open to general public, and (b) an amenity center which may be limited to community residents.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Certification Letter” shall mean a certification letter provided by the Managing Developer or Significant Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

“Development Agreement” shall mean the Development Agreement dated October 7, 2021, as amended by the First Amendment to Development Agreement, dated as of August 17, 2023, each between the Issuer and WMV North Hutto, LLC, which was subsequently assigned to the Managing

Developer and Meritage Homes of Texas, LLC, an Arizona limited liability company (the “Non-Managing Developer”), pursuant to a General Assignment and Bill of Sale dated October 26, 2023, as may be amended from time to time.

“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 Wilmington Trust, National Association, 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 Prairie Winds 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>.

“Financial Advisor” shall mean the person or independent firm designated by the Issuer as its financial advisor. The Issuer has selected Hilltop Securities Inc. as the current Financial Advisor.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into a Lot Purchase Agreement with the Managing Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

“Improvement Account” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Assessments” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Projects” shall have the meaning assigned to such term in the Indenture.

“Issuer” shall mean the City of Hutto, Texas.

“Listed Events” shall mean, collectively, Managing 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 Managing Developer to purchase lots or to purchase land.

“Managing Developer” shall mean GRBK Edgewood LLC, a Texas limited liability company, its successors and assigns, including any Affiliate of the Managing Developer.

“Managing Developer Listed Events” shall mean any of the events listed in Section 4(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 reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Parcel” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Person” shall have the meaning assigned to such term in the Indenture.

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

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning June 30, 2025.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, 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 Managing 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 28 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 Managing Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with June 30, 2025, 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 Managing Developer elects, the Managing Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Managing Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until a Significant Homebuilder Acknowledgment (as defined herein) with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Managing 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 direct 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, with a copy to each Reporting Party, 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. Pursuant to the written direction of the Administrator, the Dissemination Agent shall file the Quarterly Report and the

Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer, the Financial Advisor 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 hereto.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Managing Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Improvement Area #1 Assessments levied within Improvement Area #1 on a parcel owned by the Managing Developer or the Managing Developer's Affiliates; provided, however, that the exercise of any right of the Managing Developer or the Managing Developer's Affiliates 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 Managing Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area #1, including the Improvement Area #1 Projects and the Amenities;

(iii) Material default by the Managing Developer or any of the Managing Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of Improvement Area #1 undertaken by the Managing Developer or any of the Managing Developer's Affiliates;

(iv) Material default by the Managing Developer or any of Managing Developer's Affiliates on any loan secured by property within Improvement Area #1 owned by the Managing Developer or any of the Managing Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Managing Developer or any of the Managing Developer's Affiliates or any determination that the Managing Developer or any of the Managing Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Managing Developer, or the sale of all or substantially all of the assets of the Managing Developer or any of the Managing 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 Managing Developer or any of the Managing Developer's Affiliates that may materially and adversely affect the completion of development of Improvement Area #1, or litigation that may materially and adversely affect the financial condition of the Managing Developer or any of the Managing Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Managing 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 Improvement Area #1 Assessments levied within Improvement Area #1 on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any 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 provide written direction to 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, the Financial Advisor 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 Managing 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 a 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, the Financial Advisor, any Reporting Party, 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.

(e) If the Dissemination Agent has been instructed 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 Managing Developer.

The Managing Developer shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects or the Amenities to assume and comply with the disclosure obligations of the Managing Developer under this Disclosure Agreement. The Managing Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects or Amenities in substantially the form attached as Exhibit E (the “Managing Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Managing Developer shall provide written direction to the Dissemination Agent to file a copy of each Managing Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above and provide a copy of such notice to the Issuer, the Financial Advisor and the Participating Underwriter. Upon any such transfer to a Person, and such Person’s delivery of written acknowledgement of assumption of Managing Developer’s obligations under this Disclosure Agreement as to the property transferred, the Managing 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 Managing 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.

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 Managing Developer may (i) cause such Significant Homebuilder to comply with the Managing 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 Managing Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Managing Developer may elect in the future to cause such Significant Homebuilder to comply with the Managing Developer’s disclosure obligations, as described in (i) above.

(b) If the Managing Developer elects to cause a Significant Homebuilder to comply with the Managing Developer’s disclosure obligations, as described in (i) above, the Managing 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, acknowledging and assuming the Managing Developer’s obligations under this Disclosure Agreement with respect to the real property transferred (the “Significant Homebuilder Acknowledgment”). Pursuant to Section 4(a)(ix) above, the Managing Developer shall provide written direction to the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) above and provide a copy of such notice to the Issuer, the Financial Advisor and the Participating Underwriter. Upon any such transfer to a Significant Homebuilder and the Managing Developer’s delivery of the Significant Homebuilder Acknowledgment pursuant to this Section 6(b), the Managing Developer shall

have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the real property transferred or the obligations assigned. The Managing Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an executed Significant Homebuilder Acknowledgement 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 of real property, the Managing 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 a Reporting Party under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Reporting Party, including their respective affiliates and/or successors and assigns, no longer owns 28 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 Reporting Party, including their respective Affiliates and/or successors and assigns, respectively; provided, however, if the Managing 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 Managing Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Managing Developer and such Significant Homebuilder(s) (on behalf of whom the Managing Developer is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own 28 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 Managing Developer and such Significant Homebuilder(s) (on behalf of whom the Managing Developer is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Financial Advisor, 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 Financial Advisor, 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 Managing Developer and any other Reporting Party 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 Managing 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 Reporting Party of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Wilmington Trust, National Association.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Managing 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 reasonable amendment so requested in writing by the Managing Developer or the Administrator in writing), 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 a Reporting Party, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Managing Developer. The Managing 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 a Reporting Party from disseminating any other information, using the means of

dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Managing Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, such Reporting Party 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 Managing Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Managing 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 on their behalf by a Reporting Party provided hereunder.

SECTION 12. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction against all costs, fees, expenses and liabilities for such actions, the Dissemination Agent shall take such actions as may be necessary and appropriate to cause the applicable Reporting Party, and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party, the Dissemination Agent 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 any Reporting Party shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by any Reporting Party or the Administrator. Additionally, a default by any Reporting Party of its obligations under this Disclosure Agreement shall not be deemed a default by any other Reporting Party of under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) Notwithstanding anything to the contrary contained herein, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Managing Developer, Significant Homebuilder, and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. THE MANAGING 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

Managing 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. If any Reporting Party or the Administrator does not provide the information required by Sections 3(a) or (b) in a timely manner or incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Information or Quarterly Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) 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 Managing 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 Managing 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 MANAGING 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 any Reporting Party, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Reporting Party, the Administrator, or 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; 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 Williamson County, Texas. 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 Disclosure Agreement.

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, 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 delivery receipt from the recipient confirming that the e-mail was delivered with such notice. Failure to provide proof of delivery receipt does not constitute a breach or default under this Disclosure Agreement.

If to Managing Developer: GRBK Edgewood LLC
Attn: Bobby Samuel and Austin Evetts
5501 Headquarters Drive, Suite 300W
Plano, TX 75024
E-mail: bsamuel@greenbrickpartners.com and
aevetts@greenbrickpartners.com

With a copy to: Metcalfe Wolff Stuart & Williams, LLP
Attn: Talley Williams
221 W. 6th Street Suite 1300
Austin, Texas 78701
E-mail: twilliams@mwswtexas.com

If to the Dissemination Agent or Trustee: Wilmington Trust, National Association
Attn: Parker Merritt
15950 North Dallas Parkway Suite 200
Dallas, Texas
Email: pmerritt@wilmingtontrust.com

If to Administrator: P3Works, LLC
9284 Huntington Square, Ste 100
North Richland Hills, Texas 76182
E-mail: admin@p3-works.com

If to the Issuer: City of Hutto, Texas
500 W. Live Oak St.
Hutto, Texas 78634
Attn: City Manager
Email: James.Earp@Huttotx.gov

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 Managing Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

Wilmington Trust, National Association,
Dissemination Agent

By: _____
Authorized Officer

MANAGING DEVELOPER:

GRBK Edgewood LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

P3Works, LLC,
Administrator

By: _____

Name: _____

Title: _____

EXHIBIT A

**CITY OF HUTTO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)**

**MANAGING DEVELOPER QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]**

Delivery Date: _____, 2025

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: Wilmington Trust, National Association
Address: 15950 N. Dallas Parkway, Suite 200
City: Dallas, Texas 75248
Telephone: (714) 384-4174
Contact Person: Attn: Corporate Trust

I. Expenditures Paid from Accounts under Indenture

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #1 PROJECTS: \$ _____
2. Of the budgeted costs for Improvement Area #1 Projects shown in the Service and Assessment Plan:
 - a. Actual costs drawn from the Improvement Account¹: \$ _____

II. Status of Improvement Area #1 Projects

Projected/actual completion date of the Improvement Area #1 Projects

1. [Actual/Expected] date of completion of the Improvement Area #1 Projects: [_____]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [_____]

¹ Improvement Account means the account titled Improvement Account held under the Project Fund in the Indenture.

III. Unit Mix in Improvement Area #1

<u>Product Type</u>	<u>Number of Units</u>
Single Family 45'	
Single Family 50'	
Single Family 60'	

IV. Lot Status in Improvement Area #1

Of the 280 lots in Improvement Area #1, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 280
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: 280

Of the 280 lots in Improvement Area #1:

1. Number of lots owned by the Managing Developer or Managing Developer's Affiliates: _____
2. Number of lots under contract but not closed to Homebuilder(s): _____
3. Number of lots owned by all Homebuilder(s): _____²
 - a. Number of lots owned by [*insert name of Homebuilder*]: _____³
 - 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: [_____]

Of the [_____] 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?**

² If Managing Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Managing Developer is not using EMMA filing assistance software, Managing Developer shall prepare a chart containing such Quarterly Information.

³ 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]: _____⁴
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. Amenities⁵

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 Improvement Area #1 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Improvement Area #1 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Improvement Area #1 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Improvement Area #1 Assessments securing the Bonds by the Managing

⁴ Include a line item for each individual Homebuilder.

⁵ “Amenities” mean those public and private amenities to serve the District, including (a) parks and open space open to the general public, and (b) an amenity center which may be limited to community residents.

Developer to any third-party Managing 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 Managing Developer/land bank has executed a Managing Developer Acknowledgement pursuant to the Disclosure Agreement?

5. **Completion Agreement** – Is the Managing Developer required to provide Evidence of Available Funds, as defined in and pursuant to a Completion Agreement? If so, identify the available sources of funding and provide the amount of funding needed to complete the Improvement Area #1 Projects. If the Managing Developer has completed the Improvement Area #1 Projects, please attach the City Acceptance Letter (as defined in a Completion Agreement).
6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.
7. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: City of Hutto, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Prairie Winds
Public Improvement District Improvement Area #1) (the “Bonds”)
CUSIP Numbers: [insert CUSIP Numbers]
Date of Delivery: _____, 2025

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Managing Developer”] [“Significant Homebuilder”]) has not
provided the [Quarterly Information][Quarterly Report] [the [Quarterly Information][Quarterly
Report] was not filed in a timely manner due to [_____]] for the period
ending on [Insert Quarterly Ending Date] with respect to the Bonds as required by the Continuing
Disclosure Agreement of Managing Developer related to such Bonds, by and among GRBK
Edgewood LLC, a Texas limited liability company (the “Managing Developer”), P3Works, LLC,
as Administrator, and Wilmington Trust, National Association, as Dissemination Agent. The
[Managing Developer][Homebuilder] anticipates that the [Quarterly Information][Quarterly
Report] will be [provided][filed] by _____.

Dated: _____

Wilmington Trust, National Association,
on behalf of the Managing Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Hutto, Texas

⁶ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Hutto, Texas
 Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Prairie Winds Public Improvement District Improvement Area #1) (the “Bonds”)
 CUSIP Numbers. [insert CUSIP Numbers]
 Date of Delivery: _____, 2025

FMSbonds, Inc.
 5 Cowboys Way, Suite 300-25
 Frisco, Texas 75034

Wilmington Trust, National Association
 15950 North Dallas Parkway Suite 200
 Dallas, Texas 75248

City of Hutto, Texas
 500 W. Live Oak St.
 Hutto, Texas 78634

BRBK Edgewood LLC.
 5501 Headquarters Drive, Suite 300W
 Plano, TX 75024

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that that _____, a _____ (the [“Managing Developer¹”] [“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 Managing Developer related to such Bonds, by and among GRBK Edgewood LLC, a Texas limited liability company (the “Managing Developer”), P3Works, LLC, as Administrator, and Wilmington Trust, National Association, as Dissemination Agent.

Dated: _____

P3Works, LLC
 on behalf of the [Managing 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 Hutto, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Prairie Winds
Public Improvement District Improvement Area #1)
CUSIP Numbers: [insert CUSIP Numbers]
Quarterly Ending Date: _____, 2025

Re: Quarterly Report for Prairie Winds Public Improvement District – Improvement Area #1

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Managing Developer related to the captioned Bonds by and among GRBK Edgewood LLC, a Texas limited liability company¹ (the “Managing Developer”), P3Works, LLC, as Administrator, and Wilmington Trust, National Association, as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Managing Developer][_____, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Managing Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Managing Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Managing 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.

GRBK Edgewood LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

[OR

SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)

By: _____

Title: _____]

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF MANAGING DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Prairie Winds Public Improvement District – Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 2025, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects or Amenities (as those terms are defined in the Disclosure Agreement of Managing Developer (as defined herein) within Improvement Area #1 of the Prairie Winds Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Managing Developer (the “Disclosure Agreement of Managing Developer”) by and among GRBK Edgewood LLC, a Texas limited liability company (the “Managing Developer”), P3Works, LLC (the “Administrator”), and Wilmington Trust, National Association (the “Dissemination Agent”), with respect to the “City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2025 (Prairie Winds Public Improvement District Improvement Area #1),” any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects or Amenities is defined as a Managing Developer.

As a Managing Developer, pursuant to Section 5 of the Disclosure Agreement of Managing Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Managing Developer for the property which is owned as detailed in the Disclosure Agreement of Managing Developer, which is included herewith.

Sincerely,

GRBK Edgewood LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____

Title: _____

EXHIBIT F

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Prairie Winds Public Improvement District – Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

As of _____, 2025, you own _____ lots within Improvement Area #1 of Prairie Winds Public Improvement District (the “District”). Pursuant to Section 2 of the Continuing Disclosure Agreement of Managing Developer related to the captioned Bonds (the “Disclosure Agreement of Managing Developer”) by and among GRBK Edgewood LLC, a Texas limited liability company (the “Managing Developer”), P3Works, LLC (the “Administrator”), and Wilmington Trust, National Association (the “Dissemination Agent”), with respect to the “City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2025 (Prairie Winds Public Improvement District Improvement Area #1),” any entity that owns 28 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 Managing Developer, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(b) of the Disclosure Agreement of Managing Developer for the property which is owned as detailed in the Disclosure Agreement of Managing Developer, which is included herewith.

Sincerely,

GRBK Edgewood LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____

Title: _____

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APPENDIX E-3

FORM OF DISCLOSURE AGREEMENT OF NON-MANAGING DEVELOPER

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**CITY OF HUTTO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)**

CONTINUING DISCLOSURE AGREEMENT OF NON-MANAGING DEVELOPER

This Continuing Disclosure Agreement of Non-Managing Developer dated as of March 1, 2025 (this “Disclosure Agreement”), is executed and delivered by and among Meritage Homes of Texas, LLC, an Arizona limited liability company (the “Non-Managing Developer”), P3Works, LLC (the “Administrator”), and Wilmington Trust, National Association, acting solely in its capacity as dissemination agent (the “Dissemination Agent”) with respect to the captioned bonds (the “Bonds”). The Non-Managing 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 Non-Managing 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 March 1, 2025, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC, as the initial Administrator.

“Affiliate” shall mean an entity that owns property within Improvement Area #1 of the District and is controlled by, controls, or is under common control with the Non-Managing Developer.

“Amenities” shall mean those public and private amenities to serve the District, including (a) parks and open space to be open to general public, and (b) an amenity center which may be limited to community residents.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Certification Letter” shall mean a certification letter provided by the Non-Managing Developer or Significant Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

“Development Agreement” shall mean the Development Agreement dated October 7, 2021, as amended by the First Amendment to Development Agreement, dated as of August 17, 2023, each between the Issuer and WMV North Hutto, LLC, which was subsequently assigned to the Non-Managing Developer and GRBK Edgewood, LLC, a Texas limited liability company (the “Managing Developer”), pursuant to a General Assignment and Bill of Sale dated October 26, 2023, as may be amended from time to time.

“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 Wilmington Trust, National Association, 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 Prairie Winds 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>.

“Financial Advisor” shall mean the person or independent firm designated by the Issuer as its financial advisor. The Issuer has selected Hilltop Securities Inc. as the current Financial Advisor.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into an Lot Purchase Agreement with the Non-Managing Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

“Improvement Account” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Assessments” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Projects” shall have the meaning assigned to such term in the Indenture.

“Issuer” shall mean the City of Hutto, Texas.

“Listed Events” shall mean, collectively, Non-Managing 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 Non-Managing Developer to purchase lots or to purchase land.

“Non-Managing Developer” shall mean Meritage Homes of Texas, LLC, an Arizona limited liability company, its successors and assigns, including any Affiliate of the Non-Managing Developer.

“Non-Managing Developer Listed Events” shall mean any of the events listed in Section 4(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 reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Parcel” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Person” shall have the meaning assigned to such term in the Indenture.

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

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning June 30, 2025.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, 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 Non-Managing 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 28 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 Non-Managing Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with June 30, 2025, 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 Non-Managing Developer elects, the Non-Managing Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Non-Managing Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until a Significant Homebuilder Acknowledgment (as defined herein) with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Non-Managing 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 direct 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, with a copy to each Reporting Party, 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. Pursuant to the written direction of the Administrator, the Dissemination Agent shall file the Quarterly Report and the

Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer, the Financial Advisor 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 hereto.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Non-Managing Developer Listed Event with respect to the Bonds:

- (i) Failure to pay any real property taxes or Improvement Area #1 Assessments levied within Improvement Area #1 on a parcel owned by the Non-Managing Developer or the Non-Managing Developer's Affiliates; provided, however, that the exercise of any right of the Non-Managing Developer or the Non-Managing Developer's Affiliates 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 Non-Managing Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

- (ii) Material damage to or destruction of any development or improvements within Improvement Area #1, including the Improvement Area #1 Projects and the Amenities;

- (iii) Material default by the Non-Managing Developer or any of the Non-Managing Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of Improvement Area #1 undertaken by the Non-Managing Developer or any of the Non-Managing Developer's Affiliates;

- (iv) Material default by the Non-Managing Developer or any of Non-Managing Developer's Affiliates on any loan secured by property within Improvement Area #1 owned by the Non-Managing Developer or any of the Non-Managing Developer's Affiliates;

- (v) The bankruptcy, insolvency, or similar filing of the Non-Managing Developer or any of the Non-Managing Developer's Affiliates or any determination that the Non-Managing

Developer or any of the Non-Managing Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Non-Managing Developer, or the sale of all or substantially all of the assets of the Non-Managing Developer or any of the Non-Managing 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 Non-Managing Developer or any of the Non-Managing Developer's Affiliates that may materially and adversely affect the completion of development of Improvement Area #1, or litigation that may materially and adversely affect the financial condition of the Non-Managing Developer or any of the Non-Managing Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Non-Managing 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 Improvement Area #1 Assessments levied within Improvement Area #1 on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any 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 provide written direction to 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, the Financial Advisor 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 Non-Managing 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 a 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, the Financial Advisor, any Reporting Party, 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.

(e) If the Dissemination Agent has been instructed 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 Non-Managing Developer.

The Non-Managing Developer shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects or the Amenities to assume and comply with the disclosure obligations of the Non-Managing Developer under this Disclosure Agreement. The Non-Managing Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects or Amenities in substantially the form attached as Exhibit E (the “Non-Managing Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Non-Managing Developer shall provide written direction to the Dissemination Agent to file a copy of each Non-Managing Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above and provide a copy of such notice to the Issuer, the Financial Advisor and the Participating Underwriter. Upon any such transfer to a Person, and such Person’s delivery of written acknowledgement of assumption of Non-Managing Developer’s obligations under this Disclosure Agreement as to the property transferred, the Non-Managing 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 Non-Managing 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.

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 Non-Managing Developer may (i) cause such Significant Homebuilder to comply with the Non-Managing 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 Non-Managing Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Non-Managing Developer may elect in the future to cause such Significant Homebuilder to comply with the Non-Managing Developer’s disclosure obligations, as described in (i) above.

(b) If the Non-Managing Developer elects to cause a Significant Homebuilder to comply with the Non-Managing Developer’s disclosure obligations, as described in (i) above, the Non-Managing 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, acknowledging and assuming the Non-Managing Developer’s obligations under this Disclosure Agreement with respect to the real property transferred (the “Significant Homebuilder

Acknowledgment”). Pursuant to Section 4(a)(ix) above, the Non-Managing Developer shall provide written direction to the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) above and provide a copy of such notice to the Issuer, the Financial Advisor and the Participating Underwriter. Upon any such transfer to a Significant Homebuilder and the Non-Managing Developer’s delivery of the Significant Homebuilder Acknowledgment pursuant to this Section 6(b), the Non-Managing Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the real property transferred or the obligations assigned. The Non-Managing Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an executed Significant Homebuilder Acknowledgment 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 of real property, the Non-Managing 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 a Reporting Party under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Reporting Party, including their respective affiliates and/or successors and assigns, no longer owns 28 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 Reporting Party, including their respective Affiliates and/or successors and assigns, respectively; provided, however, if the Non-Managing 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 Non-Managing Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Non-Managing Developer and such Significant Homebuilder(s) (on behalf of whom the Non-Managing Developer is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own 28 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 Non-Managing Developer and such Significant Homebuilder(s) (on behalf of whom the Non-Managing Developer is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party’s reporting obligations under this Disclosure Agreement (the “Termination Notice”). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Financial Advisor, 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 Financial Advisor, 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 Non-Managing Developer and any other Reporting Party 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 Non-Managing 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 Reporting Party of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Wilmington Trust, National Association

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Non-Managing 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 reasonable amendment so requested in writing by the Non-Managing Developer or the Administrator in writing), 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 a Reporting Party, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type

of financial information or operating data being presented by the Non-Managing Developer. The Non-Managing 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 a Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Non-Managing Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, such Reporting Party 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 Non-Managing Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Non-Managing 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 on their behalf by a Reporting Party provided hereunder.

SECTION 12. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction against all costs, fees, expenses and liabilities for such actions, the Dissemination Agent shall take such actions as may be necessary and appropriate to cause the applicable Reporting Party, and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party, the Dissemination Agent 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 any Reporting Party shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by any Reporting Party or the Administrator. Additionally, a default by any Reporting Party of its obligations under this Disclosure Agreement shall not be deemed a default by any other Reporting Party of under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) Notwithstanding anything to the contrary contained herein, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Non-Managing Developer, Significant Homebuilder, and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. THE NON-MANAGING

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 Non-Managing 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. If any Reporting Party or the Administrator does not provide the information required by Sections 3(a) or (b) in a timely manner or incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Information or Quarterly Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) 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 Non-Managing 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 Non-Managing 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 NON-MANAGING 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 any Reporting Party, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Reporting Party, the Administrator, or 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; 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 Williamson County, Texas. 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 Disclosure Agreement.

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, 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 delivery receipt from the recipient confirming that the e-mail was delivered with such notice. Failure to provide proof of delivery receipt does not constitute a breach or default under this Disclosure Agreement.

If to Non-Managing Developer: Meritage Homes of Texas, LLC
Attn: Justin Belmore
12301 Research Blvd, Building 4 – 4th Floor
Austin, TX 78759
E-mail: justin.belmore@meritagehomes.com

With a copy to: Metcalfe Wolff Stuart & Williams, LLP
Attn: Talley Williams
221 W. 6th Street Suite 1300
Austin, Texas 78701
E-mail: twilliams@mwswtexas.com

If to the Dissemination Agent or Trustee: Wilmington Trust, National Association
Attn: Parker Merritt
15950 North Dallas Parkway Suite 200
Dallas, Texas
Email: pmerritt@wilmingtontrust.com

If to Administrator: P3Works, LLC
9284 Huntington Square, Ste 100
North Richland Hills, Texas 76182
E-mail: admin@p3-works.com

If to the Issuer:

City of Hutto, Texas
500 W. Live Oak St.
Hutto, Texas 78634
Attn: City Manager
Email: James.Earp@Huttotx.gov

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 Non-Managing Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

Wilmington Trust, National Association,
Dissemination Agent

By: _____
Authorized Officer

NON-MANAGING DEVELOPER:

Meritage Homes of Texas, LLC,
an Arizona limited liability company

By: _____

Name: _____

Title: _____

P3Works, LLC,
Administrator

By: _____

Name: _____

Title: _____

EXHIBIT A

**CITY OF HUTTO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)**

**NON-MANAGING DEVELOPER QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]**

Delivery Date: _____, 2025

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: Wilmington Trust, National Association
Address: 15950 N. Dallas Parkway, Suite 200
City: Dallas, Texas 75248
Telephone: (714) 384-4174
Contact Person: Attn: Corporate Trust

I. Expenditures Paid from Accounts under Indenture

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA #1 PROJECTS: \$ _____
2. Of the budgeted costs for Improvement Area #1 Projects shown in the Service and Assessment Plan:
 - a. Actual costs drawn from the Improvement Account¹: \$ _____

II. Status of Improvement Area #1 Projects

Projected/actual completion date of the Improvement Area #1 Projects

1. [Actual/Expected] date of completion of the Improvement Area #1 Projects: [_____]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [_____]

¹ Improvement Account means the account titled Improvement Account held under the Project Fund in the Indenture.

III. Unit Mix in Improvement Area #1

<u>Product Type</u>	<u>Number of Units</u>
Single Family 45'	
Single Family 50'	
Single Family 60'	

IV. Lot Status in Improvement Area #1

Of the 280 lots in Improvement Area #1, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 280
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: 280

Of the 280 lots in Improvement Area #1:

1. Number of lots owned by the Non-Managing Developer or Non-Managing Developer's Affiliates: _____
2. Number of lots under contract but not closed to Homebuilder(s): _____
3. Number of lots owned by all Homebuilder(s): _____²
 - a. Number of lots owned by [*insert name of Homebuilder*]: _____³
 - 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: [_____]

Of the [_____] 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?**

² If Non-Managing Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Non-Managing Developer is not using EMMA filing assistance software, Non-Managing Developer shall prepare a chart containing such Quarterly Information.

³ 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]: _____⁴
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. Amenities⁵

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 Improvement Area #1 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Improvement Area #1 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Improvement Area #1 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Improvement Area #1 Assessments securing the Bonds by the Non-

⁴ Include a line item for each individual Homebuilder.

⁵ "Amenities" mean those public and private amenities to serve the District, including (a) parks and open space open to the general public, and (b) an amenity center which may be limited to community residents.

Managing Developer to any third-party Non-Managing 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 Non-Managing Developer/land bank has executed a Non-Managing Developer Acknowledgement pursuant to the Disclosure Agreement?

5. **Completion Agreement** – Is the Non-Managing Developer required to provide Evidence of Available Funds, as defined in and pursuant to a Completion Agreement? If so, identify the available sources of funding and provide the amount of funding needed to complete the Improvement Area #1 Projects. If the Non-Managing Developer has completed the Improvement Area #1 Projects, please attach the City Acceptance Letter (as defined in a Completion Agreement).
6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.
7. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: City of Hutto, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Prairie Winds
Public Improvement District Improvement Area #1) (the “Bonds”)
CUSIP Numbers: [insert CUSIP Numbers]
Date of Delivery: _____, 2025

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Non-Managing Developer⁶”] [“Significant Homebuilder”]) has
not provided the [Quarterly Information][Quarterly Report] [the [Quarterly
Information][Quarterly Report] was not filed in a timely manner due to
[_____]] for the period ending on [*Insert Quarterly Ending Date*] with
respect to the Bonds as required by the Continuing Disclosure Agreement of Non-Managing
Developer related to such Bonds, by and among Meritage Homes of Texas, LLC, an Arizona
limited liability company (the “Non-Managing Developer”), P3Works, LLC, as Administrator,
and Wilmington Trust, National Association, as Dissemination Agent. The [Non-Managing
Developer][Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be
[provided][filed] by _____.

Dated: _____

Wilmington Trust, National Association,
on behalf of the Non-Managing Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Hutto, Texas

⁶ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Hutto, Texas
 Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Prairie Winds Public Improvement District Improvement Area #1) (the “Bonds”)
 CUSIP Numbers. [insert CUSIP Numbers]
 Date of Delivery: _____, 2025

FMSbonds, Inc.
 5 Cowboys Way, Suite 300-25
 Frisco, Texas 75034

Wilmington Trust, National Association
 15950 North Dallas Parkway Suite 200
 Dallas, Texas 75248

City of Hutto, Texas
 500 W. Live Oak St.
 Hutto, Texas 78634

Meritage Homes of Texas, LLC
 12301 Research Blvd, Building 4 – 4th Floor
 Austin, TX 78759

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that that _____, a _____ (the [“Non-Managing Developer¹”] [“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 Non-Managing Developer related to such Bonds, by and among Meritage Homes of Texas, LLC, an Arizona limited liability company (the “Non-Managing Developer”), P3Works, LLC, as Administrator, and Wilmington Trust, National Association, as Dissemination Agent.

Dated: _____

P3Works, LLC
 on behalf of the [Non-Managing 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 Hutto, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Prairie Winds
Public Improvement District Improvement Area #1)
CUSIP Numbers: [insert CUSIP Numbers]
Quarterly Ending Date: _____, 2025

Re: Quarterly Report for Prairie Winds Public Improvement District – Improvement Area #1

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Non-Managing Developer related to the captioned Bonds by and among Meritage Homes of Texas, LLC, an Arizona limited liability company¹ (the “Non-Managing Developer”), P3Works, LLC, as Administrator, and Wilmington Trust, National Association, as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Non-Managing Developer][_____], as a “Significant Homebuilder”, contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Non-Managing Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Non-Managing Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Non-Managing 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.

Meritage Homes of Texas, LLC,
an Arizona limited liability company

By: _____
Name: _____
Title: _____

[OR

SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)

By: _____
Title: _____]

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF NON-MANAGING DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Prairie Winds Public Improvement District – Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 2025, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects or Amenities (as those terms are defined in the Disclosure Agreement of Non-Managing Developer (as defined herein) within Improvement Area #1 of the Prairie Winds Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Non-Managing Developer (the “Disclosure Agreement of Non-Managing Developer”) by and among Meritage Homes of Texas, LLC, an Arizona limited liability company (the “Non-Managing Developer”), P3Works, LLC (the “Administrator”), and Wilmington Trust, National Association (the “Dissemination Agent”), with respect to the “City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2025 (Prairie Winds Public Improvement District Improvement Area #1),” any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Improvement Area #1 Projects or Amenities is defined as a Non-Managing Developer.

As a Non-Managing Developer, pursuant to Section 5 of the Disclosure Agreement of Non-Managing Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Non-Managing Developer for the property which is owned as detailed in the Disclosure Agreement of Non-Managing Developer, which is included herewith.

Sincerely,

Meritage Homes of Texas, LLC,
an Arizona limited liability company

By: _____
Name: _____
Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____
Title: _____

EXHIBIT F

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Prairie Winds Public Improvement District – Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

As of _____, 2025, you own _____ lots within Improvement Area #1 of Prairie Winds Public Improvement District (the “District”). Pursuant to Section 2 of the Continuing Disclosure Agreement of Non-Managing Developer related to the captioned Bonds (the “Disclosure Agreement of Non-Managing Developer”) by and among Meritage Homes of Texas, LLC, an Arizona limited liability company (the “Non-Managing Developer”), P3Works, LLC (the “Administrator”), and Wilmington Trust, National Association (the “Dissemination Agent”), with respect to the “City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2025 (Prairie Winds Public Improvement District Improvement Area #1),” any entity that owns 28 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 Non-Managing Developer, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(b) of the Disclosure Agreement of Non-Managing Developer for the property which is owned as detailed in the Disclosure Agreement of Non-Managing Developer, which is included herewith.

Sincerely,

Meritage Homes of Texas, LLC,
an Arizona limited liability company

By: _____

Name: _____

Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____

Title: _____

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APPENDIX F
DEVELOPMENT AGREEMENT

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DEVELOPMENT AGREEMENT

This Development Agreement (“Agreement”) is entered into to be effective as of the 7th day of October, 2021 (the “Effective Date”), by and between the **City of Hutto, Texas** (the “City”), a home rule city organized under the laws of the State of Texas, and **WMV North Hutto, LLC**, a Texas limited liability company, and its successors and assigns (“Owner”). The City and Owner are, collectively, the “Parties” to this Agreement.

RECITALS

WHEREAS, Owner has the right to acquire that certain tract of land containing approximately 263.02 acres currently in the City’s extraterritorial jurisdiction (“ETJ”) (the “Property”), comprised of a 106.918 acre tract, more or less, described by metes and bounds on **Exhibit A-1** attached hereto and incorporated herein (“Tract 1”); a 76.317 acre tract, more or less, described by metes and bounds on **Exhibit A-2** attached hereto and incorporated herein (“Tract 2”); a 65.281 acre tract, more or less, described by metes and bounds on **Exhibit A-3** attached hereto and incorporated herein (“Tract 3”); and a 14.504 acre tract, more or less, described by metes and bounds on **Exhibit A-4** attached hereto and incorporated herein (“Tract 4”); and

WHEREAS, Owner intends to acquire and develop the Property into a single-family residential subdivision containing approximately 1,123 single-family lots and community amenities (the “Project”), that will serve present and future residents of the City; and

WHEREAS, the Project is anticipated to add significant property tax base and increased property tax revenues in the City; and

WHEREAS, the City and Owner desire to set forth in this Agreement certain terms and conditions for the planning, design, construction, development, and financing of the Project.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I PURPOSE AND INTERPRETATION

1.01 Objectives. Owner is proposing to develop a residential subdivision on the Property. Hutto continues to have a need for quality residential development that complements the economic and strategic goals of the City. The City believes that the development of the Project will provide needed, high quality housing for existing and future residents.

1.02 Concept and Structure. Development of the Property will generally conform to the Concept Plan attached hereto as **Exhibit B**. Owner will be responsible for the development and construction of the Project, except as set forth herein.

1.03 Interpretation. In this Agreement, unless a clear contrary intention appears;

- (a) the singular number includes the plural number and vice versa;
- (b) reference to any Party includes such Party's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Party in a particular capacity excludes such Party in any other capacity or individually;
- (d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;
- (e) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision thereof;
- (f) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and
- (g) reference to any constitutional, statutory or regulatory provision means such provision as it exists on the Effective Date and any amendatory provision thereof or supplemental provision thereto.

1.04 Legal Representation of the Parties. This Agreement was negotiated by the Parties hereto with the benefit of legal representation and any rules of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any Party shall not apply.

ARTICLE II **DEFINITIONS**

2.01 Definitions. All capitalized terms used in this Agreement shall have the meanings ascribed to them in this **Article II**, or as otherwise provided herein.

"**Agreement**" means this Development Agreement by and between the City and Owner.

"**City**" means the City of Hutto, Texas.

"**City Council**" means the City Council of the City of Hutto.

"**Concept Plan**" means the concept plan attached hereto as **Exhibit B**, as such concept plan may be modified and changed from time to time as set forth in this Agreement. The Parties acknowledge and agree that the Concept Plan is for illustrative purposes only and is only a general representation of the design.

"**Owner**" means WMV North Hutto, LLC, a Texas limited liability company, and its successors and assigns that specifically assume the rights and obligations of this Agreement.

"**Effective Date**" means the date set forth in the opening paragraph on page 1.

"**LUE**" means the capacity necessary to serve a single-family residential connection or its equivalent.

"**Parties**" means the City and Owner.

“**Party**” means the City or Owner.

“**Peterson Property**” means the approximately 226.473 acres of land located to the west of the Property, comprised of a 199.464 acre tract, more or less, described by metes and bounds on Exhibit C-1 attached hereto and incorporated herein (“Peterson Tract 1”); and a 27.009 acre tract, more or less, described by metes and bounds on Exhibit C-2 attached hereto and incorporated herein (“Peterson Tract 2”).

“**Peterson Property Developer**” means the party that develops the Peterson Property and receives wastewater service from the City to the Peterson Property via the Wastewater Lift Station and the WWTP (as such terms are defined below).

“**Project**” means the Project as described in **Article IV**.

“**Property**” means the real property described and shown on Exhibit A-1, Exhibit A-2, Exhibit A-3, and Exhibit A-4.

“**State**” means the State of Texas.

“**UDC**” means the Unified Development Code of the City as of the Effective Date.

“**Wastewater Lift Station**” means that portion of the City’s wastewater system contemplated in this Agreement, being an approximately 2,600 LUE wastewater lift station that will connect the Project to the WWTP, as more particularly described and depicted as the “Proposed Mustang Creek Lift Station” on Exhibit D attached hereto and incorporated herein.

“**Wastewater Lift Station Site**” means the lot or tract of land on which the Wastewater Lift Station will be located, as depicted on Exhibit D attached hereto and incorporated herein.

“**WWTP**” means the Hutto South Regional Wastewater Treatment Plant.

ARTICLE III **ANNEXATION AND ZONING**

3.01 Annexation. As of the Effective Date, the Property has not been annexed, but is in the City’s ETJ. While Tract 1, Tract 2 and approximately 55.74 acres of Tract 3 are subject to the Prior Development Agreements (defined below), Tract 4 and approximately 9.541 acres of Tract 3 are not subject to any agreements pursuant to which the owner of such tracts has consented to annexation by the City. In consideration of this Agreement and the City’s incentives set forth in Section 4.03 below, Owner and City hereby agree to the annexation of the Property into City’s corporate limits, and intend that this Agreement provide for the annexation of the Property for all purposes and shall constitute Owner’s request for annexation. Further, notwithstanding that the Project may be phased (as set forth below), Owner agrees that all Property will be annexed in one proceeding. City agrees that phases not under active development may remain in agricultural or open space use for purposes of ad valorem tax purposes (although all such Property shall be subject to the ordinances and jurisdiction of the City once annexed.)

3.02 Zoning. Because the Property has not been annexed, it has not yet been zoned. The Parties agree that they will work together in good faith to zone the Property “SF-1 Village” (defined in the UDC), subject to the modifications in this Agreement. The Property shall be zoned contemporaneous with annexation. Upon the adoption of permanent zoning for the Property, the applicable UDC provisions will be subject to the terms, provisions, and conditions of this Agreement.

3.03 Chapter 245 Permit. This Agreement shall constitute a Permit in a series of Permits for the purpose of vesting and rights shall accrue as contemplated in Chapter 245 of the Texas Local Government Code (subject to the exemptions as set forth therein), as authorized by Section 212.172(g) of the Texas Local Government Code. Except as modified herein, all aesthetic requirements of the zoning district, as outlined in the UDC shall be followed.

3.04 Land Use Upon Annexation. On the effective date of the annexation of the Property, the zoning jurisdiction of the City shall be extended to include the annexed area, and the use of all of the Property shall be vested for the uses and development standards set forth in this Agreement, unless Owner substantially amends or abandons the Project, defaults under this Agreement, or permits its vested rights under Chapter 245 of the Texas Local Government Code to expire.

3.05 Prior Development Agreements. This Agreement supersedes and replaces in all respects the prior Chapter 43 Texas Local Development Code Development Agreements relating to the Property, or any portion thereof, including: (i) the Development Agreement dated February 4, 2019, relating generally to Tract 1 and recorded under Document No. 2019043493, Official Public Records of Williamson County, Texas; (ii) the Development Agreement dated January 24, 2019, relating generally to Tract 2 (and other property) and recorded under Document No. 2020144955, Official Public Records of Williamson County, Texas; (iii) the Development Agreement dated December 28, 2018, relating generally to 50.74 acre portion of Tract 3 and recorded under Document No. 2019046112, Official Public Records of Williamson County, Texas; and (iv) the Development Agreement dated December 28, 2018, relating generally to a 5 acre portion of Tract 3 and recorded under Document No. 2019035411, Official Public Records of Williamson County, Texas (collectively, the “Prior Development Agreements”). Upon full execution of this Agreement, such Prior Development Agreements will automatically terminate and be of no further force and effect, and upon Owner’s request (and at Owner’s expense) the City will execute and deliver a release of the Prior Development Agreements to Owner for recording in Official Public Records of Williamson County, Texas.

ARTICLE IV **THE PROJECT**

4.01 General Description. The Project will be planned, developed, and constructed on the Property by Owner in phases as determined by Owner in accordance with market conditions and otherwise in accordance with any permits and approvals from any applicable governmental authorities.

4.02 Development. Owner intends to construct improvements to real property and additions to

personal property within the Property as generally contemplated by the Concept Plan. However, the parties agree and acknowledge that the actual construction shall be dictated by the ultimate zoning of the Property, platting of the Property, site development permits issued for the Property, and other development permits issued for the Property, subject to the terms of this Agreement. Each preliminary plat and final plat that complies with the Concept Plan (as it may be amended), this Agreement, state law and federal law shall be reviewed and approved by the City in accordance with applicable laws and city charter, when submitted for review and approval. The Project will be permitted and constructed in accordance with City ordinances and regulations except as may be specifically set forth in this Agreement.

4.03 City Incentives to Project. The City incentives to the Project shall include only the following:

(a) The City agrees to enter into a mutually agreeable license agreement to allow Owner to maintain monument signage, other subdivision entry features, and landscaping in the City right-of-way (as such may be finally approved in the site plan), and to allow the license agreement to be assigned to the Home Owners' Association for the Project.

(b) The City agrees to enter into a mutually agreeable license agreement to allow Owner to maintain the floodplain areas that are dedicated as public parkland (as such may be finally approved in the final plats), and to allow the license agreement to be assigned to the Home Owners' Association for the Project. The license agreement will further provide the City with a right of entry and enforcement to enforce its regulations and requirements with respect to maintaining the flood areas.

(c) The City agrees to allow Owner to connect to City's adjacent wastewater facilities and commits to provide wastewater utility service to the Project in an amount sufficient for full build-out of the Project, as generally contemplated by the Concept Plan, estimated as of the Effective Date to be approximately 1,150 LUEs of wastewater utility service, subject to Owner's payment of the fees imposed by the City for such service pursuant to applicable provisions of the UDC. The City and Owner acknowledge that water utility service to the Project will be provided by Jonah Water Special Utility District ("Jonah"). In connection with Jonah's provision of such water utility service to the Project, the City agrees to allow Jonah's installation and operation of waterlines and related appurtenances within the City's existing and proposed right-of-way.

(d) The Project shall generally comply with (i) the Concept Plan (as it may be amended), (ii) the City Code of Ordinances and UDC as modified by this Agreement, and (iii) the other terms and conditions of this Agreement (including the Exhibits). The City agrees that the UDC will be modified as to the Project as follows:

(i) The minimum widths of public rights of way within the Project will be: 55' for local roadways; 64' for the limited collector roadway located to the south of Mustang Creek; 70' for all other collector roadways; 120' for the east/west arterial roadway; and 136' (centerline offset basis) for County Road 133; and

- (ii) No Traffic Impact Analysis is required for the construction of the Project as shown in the Concept Plan, provided that Owner pays City a traffic impact fee equal to \$4,000/single-family lot at the time of building permit for the residence to be constructed thereon; provided, however, that, upon Owner's request and satisfaction of the procedural requirements of the City's Transportation Impact Fees Ordinance, the City shall grant to Owner a credit against such traffic impact fees in an amount equal to the sum of: (A) the documented third-party soft and hard costs incurred by Owner for the east/west arterial roadway within the Project; (B) the actual land acquisition cost incurred by Owner for the right-of-way to be dedicated to the City or Williamson County for the future expansion of County Road 133, whether directly incurred by Owner or pursuant to subsection (f) below; and (C) the documented costs incurred by Owner to acquire the additional offsite right-of-way to contain the offsite portion of the east/west arterial roadway necessary to connect Farm to Market Road 1660 and County Road 133, which Owner may acquire and dedicate to the City or Williamson County, or the City may acquire, at Owner's expense, pursuant to subsection (f) below. The traffic impact fee, subject to the credits set forth above, will be deemed to satisfy the requirements of the UDC.

(e) Owner acknowledges that the capacity of the Wastewater Lift Station will need to be increased by approximately 2,000 gallons per minute in order for the WWTP to serve the Project and other properties. If Owner elects to develop the Project before the Peterson Property Developer constructs and installs the Wastewater Lift Station, then Owner will construct and install such facilities in accordance with the terms of and provisions of this Agreement and subject to partial reimbursement by the City as described in this subsection and/or cost-sharing by the Peterson Property Developer. Upon such election, Owner will design, permit, and construct the Wastewater Lift Station subject to a right to receive reimbursement from the City for the documented third-party soft and hard costs incurred by Owner to oversize the capacity of the Wastewater Lift Station from a 600 LUE lift station to a 2,600 LUE lift station, as set forth below (the "Wastewater Infrastructure Cost-Sharing"). The City will pay the Wastewater Infrastructure Cost-Sharing to Owner by rebating to Owner all wastewater impact fees collected by the City for connections to the City's wastewater system within the Project and the Peterson Property until such time as the Wastewater Infrastructure Cost-Sharing is paid in full (the "Wastewater Impact Fee Rebates"). The City will pay the Wastewater Impact Fee Rebates to Owner on or before the 15th day of each April, July, October and January, which payments will be in an amount equal to the total amount of subject wastewater impact fees collected by City during the three (3) calendar months preceding the month the scheduled payment is due and payable. Notwithstanding the foregoing, in the event that Owner and the Peterson Property Developer enter into a private cost-sharing agreement providing for the Peterson Property Developer's direct funding or reimbursement to Owner of funds for the same purposes as the Wastewater Infrastructure Cost-Sharing, then Owner shall notify the City of such agreement, provide a true and correct copy of such agreement to the City, and upon Owner's receipt of any such funds from the Peterson Property Developer, the City will

receive corresponding dollar-for-dollar credits against its obligation to pay the Wastewater Infrastructure Cost-Sharing to Owner hereunder.

(f) Access to the Project will be provided via connections to Farm to Market Road 1660 adjacent to the northern boundary of the Property, County Road 133 adjacent to the eastern boundary of the Property, County Road 132, and one or more local roadway connections to existing or proposed right-of-way adjacent to the Property. Owner will attempt to acquire approximately 3 acres of land adjacent to the western boundary of the Property, as generally depicted on Exhibit B, for right-of-way to contain the offsite portion of the east/west arterial roadway necessary to connect Farm to Market Road 1660 and County Road 133, the actual land acquisition costs of which will be credited against the traffic impact fees to be paid in connection with the Project pursuant to Section 4.03(d)(ii)(C) above. However, if Owner is unable to acquire such tract of land, Owner will provide written notice to the City, whereupon the City shall initiate and diligently pursue to completion the acquisition of such tract of land by eminent domain. The Owner shall pay the reasonable costs of any eminent domain proceeding that is initiated under the terms of this Agreement.

ARTICLE V **MISCELLANEOUS**

5.01 Mutual Assistance. The City and Owner will do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement.

5.02 Insurance and Indemnity.

(a) Insurance. All Owner's contractors, subcontractors, engineers, and consultants performing work on the Wastewater Lift Station Site shall carry and maintain throughout the term of this Agreement (except as specifically noted below) the following insurance policies as required by the City.

(i) Certificates of Insurance and Insurance Policy Documents. Certificates of Insurance will not be accepted as substitutes for copies of Insurance Policy Documents. The term "Insurance Policy Documents" means true and correct copies of the relevant policy of insurance including all declarations, definitions, schedules, endorsements, exclusions, exceptions, riders, waivers, jackets, modifications, notices, descriptions of deductibles and of self-insured retentions and all other instruments and other documents governing insurance coverage under such policy.

(ii) Special Requirements. The Owner or Owner's contractor shall not cause or permit any insurance required hereunder to be canceled or lapse during the term of this Agreement. Insurance coverage is to be written by companies duly authorized to do the business of insurance in the State of Texas at the time the policies are issued and will be written by companies with an A.M. Best rating of A-VII or better or otherwise approved in writing by the City. Additionally, all policies will contain a provision in favor of the City waiving subrogation and other rights of recovery against the City, and will be endorsed to provide the City with a 30-day advance notice of cancellation or change in coverage The

City will be an additional insured as its interests may appear on the Commercial General and Automobile Liability policies. All policies will provide primary coverage as applicable, with any insurance maintained by the City being excess and non-contributing. The production of copies of all policies to be promptly supplemented with delivery to the City of copies of any and all changed or new Insurance Policy Documents. The Owner or Owner's contractor will be responsible for (i) overseeing its contractors with respect to such contractors' obtaining and maintaining the insurance required hereunder and (ii) obtaining and keeping copies of such Insurance Policy Documents evidencing the insurance coverages required hereunder.

(iii) Additional Insured. All endorsements, waivers, and notices of cancellation as well as the policies of commercial general liability and automobile insurance shall provide that City is an additional insured and will be delivered to the City as provided in the Notices Section of this Agreement or such other address as the City may notify the Owner or Owner's contractor in writing.

(iv) Cost. The Owner or Owner's contractor shall be responsible for paying premiums, deductibles and self-insured retentions, if any, stated in the insurance policies to be carried hereunder by the Owner (not by its contractors and any subcontractors). All deductibles or self-insured retentions shall be disclosed on the Insurance Policy Documents. The insurance coverages required under this Agreement are required minimums and are not intended to limit or otherwise establish the responsibility or liability of the Owner under this Agreement.

(b) INDEMNIFICATION AND HOLD HARMLESS. OWNER HEREBY COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY CITY, AND THE CURRENT AND FUTURE OFFICERS, AGENTS, SERVANTS AND EMPLOYEES THEREOF, FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, "THIRD PARTY CLAIMS" OR "TPC") AGAINST THE CITY, WHETHER THREATENED, ANTICIPATED, 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 OWNER ON THE WASTEWATER LIFT STATION SITE, INCLUDING THE NEGLIGENCE OF THE OWNER'S EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIALMEN, AND AGENTS OCCURRING DURING THE CONSTRUCTION OF ANY PORTION OF THE INFRASTRUCTURE OR PERFORMANCE OF THIS AGREEMENT ON THE WASTEWATER LIFT STATION SITE; AND IT IS EXPRESSLY UNDERSTOOD THAT SUCH TPC SHALL, EXCEPT AS MODIFIED BELOW, INCLUDE TPC EVEN IF CAUSED BY THE CITY'S OWN CONCURRENT (BUT NOT GROSS) NEGLIGENCE. OWNER SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST TPC CAUSED BY THE CITY'S SOLE NEGLIGENCE. IF THE CITY INCURS TPC THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF OWNER AND THE CITY, OWNER'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL TPC AND EXPENSES EQUIVALENT TO THE OWNER'S OWN PERCENTAGE OF RESPONSIBILITY.

(c) **Claims.** If the City notifies Owner of any TPC relating to the construction of any portion of the infrastructure or performance of this Agreement on the Wastewater Lift Station Site, Owner shall assume on behalf of the City and conduct with due diligence and in good faith the investigation and defense thereof and the response thereto with counsel selected by Owner but reasonably satisfactory to the City; provided, that the City has the right to be represented by advisory counsel of its own selection and at its own expense; and provided further, that if any such TPC involves Owner and the City and the City has been advised in writing by counsel that there may be legal defenses available to it which are inconsistent with those available to Owner, then the City has the right to select separate counsel to participate in the investigation and defense of and response to such TPC on the City's own behalf, and Owner shall pay or reimburse the City for all reasonable legal fees and costs incurred by the City because of the selection of such separate counsel.

(d) **Release.** Other than to the extent caused by a the City's uncured default under this Agreement, Owner hereby releases the City with respect to all TPCs relating to the construction of any portion of the infrastructure or performance of this Agreement on the Wastewater Lift Station Site regarding any alleged, established or admitted negligent or wrongful act or omission of the City or any agents, contractors, representatives or employees of the City, INCLUDING ALL TPCS CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF THE CITY, but excluding TPCs to the extent caused by the gross negligence or willful misconduct of the City. The provisions of this Section will survive the expiration or earlier termination of this Agreement.

5.03 Default; Remedies.

(a) No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (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 determined based on the nature of the alleged failure, but in no event (a) more than ten (10) business days for a monetary default, or (b) less than 30 days or more than 90 days after written notice of the alleged failure has been given for a non-monetary default. In addition, no Party shall be in default under this Agreement if, within the applicable cure period for a non-monetary default, the Party to whom the notice was given or another Party begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. If the Property has multiple Owners, a default by one Owner will not constitute a default by the performing Owner(s) as to the portion of the Property owned by the performing Owner(s).

(b) If a Party is in default beyond any applicable notice and cure period, the aggrieved Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgement Act, specific performance, mandamus, and injunctive relief. Notwithstanding the foregoing, however, no default under this Agreement shall:

(i) entitle the aggrieved Party to terminate this Agreement (except as specifically set forth in this Agreement); or

(ii) adversely affect or impair the current or future obligations of the City to provide water or wastewater service or any other service to the Property; or

(iii) entitle the aggrieved Party to seek or recover consequential monetary damages of any kind; or

(iv) reduce the term of this Agreement (except as specifically set forth in this Agreement).

(c) In the event any legal action or proceeding is commenced between the Parties to enforce provisions of this Agreement and recover damages for breach, the prevailing party in such legal action shall be entitled to recover its reasonable attorneys' fees and expenses incurred by reason of such action, to the extent allowed by law.

5.04 Undocumented Workers. Owner certifies that it does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Pursuant to Section 2264.101, Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

5.05 Binding Effect. This Agreement shall be binding on and inure to the benefit of the Parties, their respective successors and assigns. This Agreement does not create any encumbrance on title as to any purchaser of a completed residence within the Project.

5.06 Assignment. Owner may assign this Agreement with respect to all or a portion of the Property from time to time, without the prior written consent of the City, to an affiliate of Owner or so long as: (i) the assignment is in writing to an entity that is not delinquent in the payment of taxes; that is not in default in a development agreement with the City and has the experience and financial capacity to perform the obligations of this Agreement; (ii) the assignment provides that the assignee assumes such assigned rights and obligations without modification or amendment; (iii) the assignment is executed by Owner and the assignee; and (iv) Owner provides a copy of the fully executed assignment to the City within fifteen (15) business days after the effective date of the assignment. Upon such assignment with respect to all or a portion of the Property, Owner shall be fully released from any and all obligations under this Agreement and shall have no further liability with respect to this Agreement relating to the portion of the Property conveyed to the assignee to which this Agreement is so assigned. A default by any subsequent partial assignee shall not constitute a default by Owner under this Agreement, but only under such partial assignment.

5.07 Amendment. This Agreement may be amended only by the mutual written agreement of the Parties (except that if there are multiple Owners and the amendment applies only to portions of the Property owned by a single Owner, this Agreement may be amended by the mutual written agreement of the City and Owner of the portion of the Property to which the amendment applies). A successor of portions of the Property (such as a purchaser of a lot within the subdivision) does not make such successor a "Party." Owner's rights under this Agreement must be specifically assigned to a successor in order for such successor to be a "Party."

5.08 Entire Agreement. All Parties mutually agreed to the terms of this Agreement. The Agreement shall not be construed in favor of or against one Party. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement. This Agreement contains the entire agreement between the

Parties; there are no other terms, promises, conditions, or obligations other than those contained herein. This Agreement shall supersede all previous communications, representations or agreements, either oral or written.

5.09 Notice. Any notice and or statement required and permitted to be delivered shall be deemed delivered by actual delivery, by electronic mail, or by depositing the same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses:

If to City: City of Hutto
Attn: Warren Hutmacher, City Manager
500 W. Live Oak St.
Hutto, TX 78634
Email: Warren.Hutmacher@HuttoTX.gov

With required copy to: Bojorquez Law Firm
Attn: Alan Bojorquez
11675 Jollyville Road, Suite 300
Austin, Texas 78759

If to Owner: WMV North Hutto, LLC
Attn: Holt Dunlop & James Dougherty
3310 N. Capital of Texas Hwy., Ste. 202
Austin, TX 78746
Email: hdunlop@waymakerventures.com
 jdougherty@waymakerventures.com

Any Party may designate a different address at any time upon written notice to the other Parties.

5.10 Interpretation. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, however its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any Party.

5.11 Applicable Law. This Agreement is made, and shall be construed and interpreted, under the laws of the State of Texas and venue shall lie in Williamson County, Texas.

5.12 Severability. In the event any provisions of this Agreement are illegal, invalid or unenforceable under present or future laws, it is the intention of the Parties that the remainder of this Agreement shall not be affected. It is also the intention of the Parties of this Agreement that in lieu of each clause and provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

5.13 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 of such provision or of any other provision of this Agreement, and such Party shall have the right at any time(s) thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

5.14 Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

5.15 No Third-Party Beneficiaries. This Agreement is not intended to confer any rights, privileges, or causes of action upon any third party.

5.16 Exhibits. The following exhibits are attached and incorporated by reference for all purposes:

- Exhibit A-1:** Description of Tract 1
- Exhibit A-2:** Description of Tract 2
- Exhibit A-3:** Description of Tract 3
- Exhibit A-4:** Description of Tract 4
- Exhibit B:** Concept Plan
- Exhibit C-1:** Description of Peterson Tract 1
- Exhibit C-2:** Description of Peterson Tract 2
- Exhibit D:** Wastewater Lift Station

5.17 No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the Parties. Neither the City, nor its past, present and future officers, elected officials, employees and agents of the City, do assume any responsibilities or liabilities to any third party in connection with the development of the Project or the design, construction or operation of any portion of the Project.

5.18 Additional Compliance. Pursuant to Section 2252.152, Texas Government Code, neither Owner nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Owner is a company currently listed by the Texas Comptroller of Public Accounts under Section 806.051, 807.051, or 2252.153 of the Texas Government Code.

5.19 Term. This Agreement shall become enforceable upon its Effective Date and shall expire 35 years after the date the City has issued the last Certificates of Occupancy for the Project, unless the Parties mutually agree to terminate it sooner.

5.20. 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 event, 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" means 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, including, without limitation, acts of God or the public enemy, war, terrorism, criminal activity, riot, civil

commotion, insurrection, government or de facto governmental action or failure to act (unless caused by the intentionally wrongful acts or omissions of the Party), fires, explosions, floods, hurricanes, adverse weather, materials or labor shortages, strikes, slowdowns, work stoppages, or pandemics or epidemics.

5.21. Attorney’s Fees and Court Costs. In the event that any matter relating to this Agreement results in the institution of legal proceedings by any Party to this Agreement, each Party in such proceeding shall be responsible for the expenses incurred by it in connection with such proceedings, including, without limitation, court costs and attorneys’ fees.

5.22. No Personal liability of public officials or the City. To the extent permitted by State law, neither the City, any City agent or representative, nor any public official or employee shall be personally liable or responsible for any liability arising under or related to this Agreement.

5.23. No Boycott of Israel. If applicable, if the Owner employs 10 or more full-time employees and the Agreement has a value of \$100,000 or more, Owner shall comply with the provisions of Section 2270.001(2), Government Code that the Owner does not boycott Israel or that during the term of the Owner will not boycott Israel.

5.24. HB 1295 Compliance. Section 2252.908 of the Texas Government Code requires that for certain types of contracts, you must fill out a conflict of interest form (“Disclosure of Interested Parties”) at the time you submit your signed contract to the City. For further information please go to the Texas Ethics Commission website via the following link. https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm. The City has no obligation under this Agreement until such form is accurately completed and properly submitted, and any City obligation is conditioned on such proper completion and submission.

5.25. Counterparts. This Agreement may be executed in multiple counterparts, which shall be construed together as a single original instrument as though all Parties had signed one instrument, and, when executed, each counterpart shall be binding upon and inure to the benefit of each of the Parties executing the instrument whether or not all other parties have executed same.

5.26 Authority. This Agreement is made and entered into pursuant to Section 212.172 of the Texas Local Government Code. The City and each Owner each represent and warrant that the persons whose signature appears below have the authority to execute this Agreement on behalf of the City and Owner, respectively.

5.27 Automatic Termination. Notwithstanding any provision to the contrary set out in this Agreement, in the event Owner fails to acquire fee simple title to the Property within ninety (90) days after the Effective Date of this Agreement, this Agreement shall automatically terminate and be of no further force or effect.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES PROVIDED ON NEXT PAGE]

EXECUTED to be effective as of the Effective Date.

CITY:

CITY OF HUTTO, TEXAS,
a home rule city and municipal corporation

By: W.A. Hutmacher
Name: Warren A. Hutmacher
Title: City Manager
Date: 10/7/21

APPROVED as to form:

By: [Signature]
Attorney for the City of Hutto
Date: 10/7/21

OWNER:

WMV NORTH HUTTO, LLC,
a Texas limited liability company

By: WayMaker Ventures, LLC,
a Texas limited liability company,
its Sole Member

By: [Signature]
Name: JAMES DOUGHERTY
Title: MANAGER
Date: 10/1/21

EXHIBIT A-1

Description of Tract 1

FIELD NOTES FOR A 106.918 ACRE TRACT OF LAND OUT OF THE JOHN DYKES SURVEY, ABSTRACT NO. 186 AND THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 106.91 ACRE TRACT OF LAND AS CONVEYED TO JON MARK LIDELL, LYNN RUSSELL LIDELL AND MICHAEL CARL LIDELL BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2002015476 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 106.918 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found on the north right-of-way line of County Road 132 (variable width right-of-way) at the southwest corner of the above described Lidell 106.91-acre tract, at the southeast corner of the called 5.00 acre tract of land described as Tract 2 as conveyed to Guerrero Maverick, LLC by Special Warranty Deed recorded in Document Number 2019117600 of the Official Public Records of Williamson County, Texas, for the southwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the west line of said Lidell 106.91-acre tract and the east line of said Guerrero Maverick 5.00-acre tract, and a called 50.27 acre tract of land described as Tract 1 as conveyed to Guerrero Maverick, LLC by said Special Warranty Deed recorded in Document Number 2019117600 of the Official Public Records of Williamson County, Texas, and the east line of the called 27.36 acre tract of land as conveyed to Howard R. Sladek and Brenda Sladek by Warranty Deed recorded in Volume 866, Page 661 of the Deed Records of Williamson County, Texas, and the east line of the called 14.00 acre tract of land as conveyed to Howard Ray Sladek by Contract of Sale and Purchase recorded in Volume 867, Page 747 of the Deed Records of Williamson County, Texas, N 21°38'12" W, a distance of 5,917.45 feet to a 1-inch iron rod found on the south line of the remainder of a called 163.89 acre tract of land as conveyed to Ricky D. Kruger, Brenda K. Sladek and Timothy R. Kruger by Executor's Deed recorded in Document Number 2016121073 of the Official Public Records of Williamson County, Texas, at the northeast corner of said Howard Ray Sladek 14.00-acre tract, for the northwest corner of the herein described tract of land;

THENCE, with the north line of said Lidell 106.91-acre tract and the south line of said Sladek remainder tract, N 68°25'37" E, a distance of 294.31 feet to an axle found at the southeast corner of said Sladek remainder tract, at the southwest corner of the called 14.502 acre tract of land as conveyed to Eagle Crest Investment, LLC by Special Warranty Deed with Vendor's Lien recorded in Document Number 2021007714 of the Official Public Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the north line of said Lidell 106.91-acre tract and the south line of said Eagles Crest 14.502-acre tract, N 68°14'19" E, a distance of 466.23 feet to a 1-inch iron rod found at the northwest corner of the called 105.75 acre tract of land as conveyed to Charles Mervin Walker and Grace E. Walker by Warranty Deed recorded in Volume 484, Page 331 of the Deed Records of Williamson County, Texas, for the northeast corner of the herein described tract;

THENCE, with the east line of said Lidell 106.91-acre tract and the west line of said Walker 105.75-acre tract, S 21°37'44" E, a distance of 6,337.50 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the north right-of-way line of said County Road 132, at the southwest corner of said Walker 105.75-acre tract, for the southeast corner of the herein described tract;

THENCE, with the south line of said Lidell 106.91-acre tract and the north right-of-way line of said County Road 132, N 82°44'12" W, a distance of 867.72 feet to the POINT OF BEGINNING and containing 106.918 acres of land, more or less.

EXHIBIT A-2

Description of Tract 2

FIELD NOTES FOR A 76.317 ACRE TRACT OF LAND OUT OF THE JOHN DYKES SURVEY, ABSTRACT NO. 186, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF THE CALLED 105.75 ACRE TRACT OF LAND AS CONVEYED TO CHARLES MERVIN WALKER AND GRACE E. WALKER BY WARRANTY DEED RECORDED IN VOLUME 484, PAGE 331 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 76.317 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 2-inch iron pipe found on the westerly right-of-way line of County Road 133 at the occupied northeast corner of the above described Walker 105.75-acre tract, at the southeast corner of the called 1.86 acre tract of land described as Tract 2 as conveyed to Christopher J. and Ashley R. Salisbury by Warranty Deed recorded in Document Number 2012039498 of the Official Public Records of Williamson County, Texas, for the northeast corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the westerly right-of-way line of said County Road 133, generally as occupied by farming activities, S 21°04'43" E, a distance of 588.64 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°25'30" E, a distance of 1,716.65 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°42'11" E, a distance of 1,716.64 feet to a 60D nail found for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°27'07" E, a distance of 657.52 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for the southeast corner of the herein described tract;

THENCE, departing the occupied westerly right-of-way line of said County Road 133, over and across said Walker 105.75-acre tract, S 68°32'53" W, a distance of 707.99 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the west line of said Walker 105.75-acre tract, being the easterly line of the called 106.91 acre tract of land as conveyed to Jon Mark Lidell, Lynn Russell Lidell and Michael C. Lidell by Special Warranty Deed recorded in Document Number 2002015476 of the Official Public Records of Williamson County, Texas, for the southwest corner of the herein described tract, from which a 1/2-inch iron rod with a cap stamped "BGE INC" set on the northerly right-of-way line of County Road 132 (variable width right-of-way) at the southeast corner of said Lidell 106.91-acre tract, for the southwest corner of said Walker 105.75-acre tract bears S 21°37'44" E, a distance of 1,660.35 feet;

THENCE, with the west line of said Walker 105.75-acre tract and the east line of said Lidell tract, N 21°37'44" W, a distance of 4,677.08 feet to a 1-inch iron rod found on the south line of the called 14.502 acre tract of land as conveyed to Eagle Crest Investment, LLC by Special Warranty Deed with Vendor's Lien recorded in Document Number 2021007714 of the Official Public Records of Williamson County, Texas, at the northwest corner of said Walker 105.75-acre tract, at the northeast corner of said Lidell 106.91-acre tract, for the northwest corner of the herein described tract, from which an axle found at the southwest corner of said Eagle Crest Investment, LLC 14.502-acre tract and at the southeast corner of the remainder of a called 163.89 acre tract of land as conveyed to Ricky D. Kruger, Brenda K. Sladek and Timothy R. Kruger by Executor's Deed recorded in Document Number 2016121073 of the Official Public Records of Williamson County, Texas, bears S 68°14'19" W, a distance of 466.23 feet;

THENCE, with the north line of said Walker 105.75-acre tract and the south line of said Eagle Crest Investment, LLC 14.502-acre tract, N 68°22'06" E, a distance of 493.20 feet to a 1/2-inch iron rod found at the southeast corner of said Eagle Crest Investment, LLC 14.502-acre tract and at the southwest corner of said Salisbury 1.86-acre tract, for an angle point of the herein described tract;

THENCE, with the north line of said Walker 105.75-acre tract and the south line of said Salisbury 1.86-acre tract, N 68°20'40" E, a distance of 226.35 feet to the POINT OF BEGINNING and containing 76.317 acres of land, more or less.

EXHIBIT A-3

Description of Tract 3

FIELD NOTES FOR A 65.281 ACRE TRACT OF LAND OUT OF THE JOHN DYKES SURVEY, ABSTRACT NO. 186 AND THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 50.27 ACRE TRACT OF LAND DESCRIBED AS TRACT 1 AND ALL OF THE CALLED 5.00 ACRE TRACT OF LAND DESCRIBED AS TRACT 2 AS CONVEYED TO GUERRERO MAVERICK, LLC BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2019117600 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND ALL OF THE CALLED 9.88 ACRE TRACT OF LAND AS CONVEYED TO GUERRERO MAVERICK, LLC BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2019118089 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 65.281 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found on the north right-of-way line of County Road 132 (variable width right-of-way) at the southeast corner of the above described Guerrero Maverick 5.00-acre tract, at the southwest corner of the called 106.91 acre tract of land as conveyed to Jon Mark Lidell, Lynn Russell Lidell and Michael C. Lidell by Special Warranty Deed recorded in Document Number 2002015476 of the Official Public Records of Williamson County, Texas, for the southeast corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the north right-of-way line of said County Road 132, N 83°08'58" W, a distance of 406.40 feet to a 1/2-inch iron rod with a cap stamped "TLS" found at the northeast corner of a fifteen (15) right-of-way tract as dedicated by plat of RIVER CROSSING SUBDIVISION PHASE THREE, a subdivision as recorded in Cabinet X, Slides 249-252 of the Plat Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the north line of said RIVER CROSSING SUBDIVISION PHASE THREE, N 82°26'38" W, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found at the northeast corner of Lot 11, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 15.00 feet, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found at the common north corner of Lots 9 and 10, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 233.17 feet, and continuing on for a total distance of 524.18 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for the southwest corner of the herein described tract, from which a 1/2-inch iron rod found on the north line of said RIVER CROSSING SUBDIVISION PHASE THREE subdivision bears N 82°26'38" W a distance of 653.49 feet;

THENCE, departing the north line of said RIVER CROSSING SUBDIVISION PHASE THREE with the west line of a called 107 Acre parent tract as described in Volume 309, Page 269 of the Deed Records of Williamson County, Texas, N 21°39'45" W, a distance of 3,121.05 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the northwest corner of said Guerrero Maverick 50.27-acre tract, at the southwest corner of a called 27.36 acre tract of land as conveyed to Howard R. Sladek and Brenda Sladek by Warranty Deed recorded in Volume 866, Page 661 of the Deed Records of Williamson County, Texas, for the northwest corner of the herein described tract, from which a 1/2-inch iron rod found bears N 21°39'45" W a distance of 250.62 feet and from which a 1-inch iron pipe found at the northwest corner of said 107-Acre parent tract bears N 21°39'45" W a distance of 2,346.24 feet;

THENCE, with the north line of said Guerrero Maverick 50.27-acre tract and the south line of said Sladek 27.36-acre tract, N 49°28'29" E, a distance of 862.66 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the west line of the aforementioned Lidell 106.91-acre tract, at the northeast corner of said Guerrero Maverick 50.27-acre tract and the southeast corner of said Sladek 27.36-acre tract, for the northeast corner of the herein described tract, from which a 1-inch iron rod found at the northwest corner of said Lidell 106.91-acre tract bears N 21°38'12" W a distance of 2,067.62 feet;

THENCE, with the east lines of said Guerrero Maverick 50.27-acre tract and 5.00-acre tract and the west line of said Lidell 106.91-acre tract, S 21°38'12" E, a distance of 3,849.83 feet to the POINT OF BEGINNING and containing 65.281 acres of land, more or less.

EXHIBIT A-4

Description of Tract 4

FIELD NOTES FOR A 14.504 ACRE TRACT OF LAND OUT OF THE JOHN DYKES SURVEY, ABSTRACT NO. 186, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 14.502 ACRE TRACT OF LAND AS CONVEYED TO EAGLE CREST INVESTMENT, LLC BY SPECIAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOCUMENT NUMBER 2021007714 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 14.504 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found on the southerly right-of-way line of F.M. 1660 (variable width right-of-way) on the east line of the remaining portion of a called 163.89 acre tract of land as conveyed to Ricky D. Kruger, Brenda K. Sladek and Timothy R. Kruger by Executor's Deed recorded in Document Number 2016121073 of the Official Public Records of Williamson County, Texas, at the northwest corner of said Eagle Crest Investment 14.502-acre tract, for the northwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the southerly right-of-way line of said F.M. 1660 and the northerly line of said Eagle Crest Investment 14.502-acre tract, N 68°21'24" E a distance of 458.18 feet to a 1/2-inch iron rod found at the west corner of a called 4.64 acre tract of land described as Tract 1 as conveyed to Christopher J. Salisbury and Ashley R. Salisbury by Warranty Deed with Vendor's Lien recorded in Document Number 2012039498 of the Official Public Records of Williamson County, Texas, at the northeast corner of said Eagle Crest Investment, LLC tract, for the north corner of the herein described tract;

THENCE, departing the southerly right-of-way line of said F.M. 1660 with the west line of said Salisbury 4.64-acre tract and the east line of said Eagle Crest Investment 14.502-acre tract, S 70°18'11" E a distance of 648.99 feet to a 1/2-inch iron rod found at the southwest corner of said Salisbury 4.64-acre tract, at the northwest corner of a called 1.86 acre tract of land described as Tract 2 as conveyed to Christopher J. Salisbury and Ashley R. Salisbury by said Warranty Deed with Vendor's Lien recorded in Document Number 2012039498 of the Official Public Records of Williamson County, Texas, at an easterly corner of said Eagle Crest Investment 14.502-acre tract, for an easterly corner of the herein described tract;

THENCE, with the west line of said Salisbury 1.86-acre tract and the east line of said Eagle Crest Investment 14.502-acre tract, S 23°07'16" E a distance of 346.30 feet to a 1/2-inch iron rod found on the northerly line of a called 105.75 acre tract of land as conveyed to Charles Mervin Walker and Grace E. Walker by Warranty Deed recorded in Volume 484, Page 331 of the Deed Records of Williamson County, Texas, at the southeast corner of said Eagle Crest Investment 14.502-acre tract, for the southeast corner of the herein described tract, from which a 2-inch iron pipe found on the westerly right-of-way line of County Road 133 (variable width right-of-way) for the southeast corner of said Salisbury 1.86-acre tract bears N 68°20'40" E a distance of 226.35 feet;

THENCE, with the northerly line of said Walker 105.75-acre tract and the southerly line of said Eagle Crest Investment 14.502-acre tract, S 68°22'06" W a distance of 493.20 feet to a 1-inch iron rod found at the northwest corner of said Walker 105.75-acre tract and the northeast corner of a called 106.91 acre tract of land as conveyed to Jan Mark Lidell, Lynn Russell Lidell and Michael C. Lidell by Special Warranty Deed recorded in Document Number 2002015476 of the Official Public Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the northerly line of said Lidell 106.91-acre tract and the southerly line of said Eagle Crest Investment 14.502-acre tract, S 68°14'19" W a distance of 466.23 feet to an axe found at the southeast corner the aforementioned Kruger remainder tract and at the southwest corner of said Eagle Crest Investment 14.502-acre tract, for the southwest corner of the herein described tract, from which a 1-inch iron rod found at the northwest corner of said Lidell 106.91-acre tract bears S 68°25'37" W a distance of 294.31 feet;

THENCE, with the easterly line of said Kruger remainder tract and the westerly line of said Eagle Crest Investment 14.502-acre tract, N 21°16'12" W a distance of 775.74 feet to the POINT OF BEGINNING and containing 14.504 acres of land, more or less.

EXHIBIT C-1

Peterson Tract I

FIELD NOTES FOR A 199.464 ACRE TRACT OF LAND IN THE JOHN DYKES SURVEY, ABSTRACT NO. 186, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 30.00 ACRE TRACT OF LAND DESCRIBED AS TRACT TWO AND ALL OF THE CALLED 170.00 ACRE TRACT OF LAND DESCRIBED AS TRACT THREE AS CONVEYED TO HILDA J. PETERSON, TRUSTEE, THE PETERSON FAMILY TRUST-DECEDENT'S TRUST B, BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2018022732 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 199.464 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found in the westerly right-of-way line of F.M. 1660 (variable width right-of-way) at the southeast corner of the above described Peterson 30-acre tract, at the northeast corner of the called 26.981 acre tract of land as conveyed to Hjalmar, LLC by General Warranty Deed recorded in Document Number 2010055556 of the Official Public Records of Williamson County, Texas, for the southeast corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the northwest line of said Hjalmar, LLC 26.981-acre tract, S 68°45'34" W, a distance of 1,581.56 feet to a 5/8-inch iron rod found at the northwest corner of said Hjalmar, LLC 26.981-acre tract and the most northerly northeast corner of the called 62.956-acre tract of land as conveyed to Marvin Sturm and Iola Sturm by Deed with Vendor's Lien recorded in Volume 1174, Page 282 of the Official Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the northwest line of said Sturm 62.956-acre tract, S 68°33'43" W, a distance of 995.91 feet to a 1-1/2-inch iron pipe found at the northwest corner of said Sturm 62.956-acre tract and the northeast corner of the called 181.663-acre tract of land as conveyed to WLH Communities-Texas LLC by Special Warranty Deed recorded in Document Number 2019027650 of the Official Public Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the northwest line of said WLH Communities-Texas LLC 181.663-acre tract, S 68°19'24" W, a distance of 1,138.76 feet to a 1/2-inch iron rod with a cap stamped "RJ SURVEYING" found in northwest line of said WLH Communities-Texas LLC 181-663-acre tract, at the southeast corner of the called 44.37-acre tract of land as conveyed to Ronald Albert Smith and Janice H. Smith by Warranty Deed with Vendor's Lien recorded in Volume 2267, Page 16 of the Official Records of Williamson County, Texas, at the southwest corner of the above described Peterson 170.00-acre tract, for the southwest corner of the herein described tract;

THENCE, with the east line of said Smith 44.37-acre tract, N 21°26'45" W, a distance of 881.63 feet to a 3/8-inch iron rod found at the most easterly northeast corner of said Smith 44.37-acre tract, at the southeast corner of Lot 2, STEVE HESTER SUBDIVISION, a subdivision as recorded in Cabinet I, Slides 391-392 of the Plat Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with an east line of said Lot 2, N 21°30'33" W, a distance of 614.01 feet to a 1/2-inch iron rod found at the most easterly northeast corner of said Lot 2, at the southeast corner of the called 4.98 acre tract of land as conveyed to Carl Seagreen and Beverly Seagreen by Warranty Deed with Vendor's Lien recorded in Document Number 2013107733 of the Official Public Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the east line of said Seagreen 4.98-acre tract, N 21°29'52" W, a distance of 839.60 feet to a 1/2-inch iron rod found in the southerly right-of-way line of County Road 100 (variable width right-of-way) at the northeast corner of said Seagreen 4.98-acre tract, at the northwest corner of said Peterson 170.00-acre tract, for the northwest corner of the herein described tract;

THENCE, with the southerly right-of-way line of said County Road 100, N 68°27'18" E, a distance of 3,730.07 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the intersection of the southerly right-of-way line of said County Road 100 with the westerly right-of-way line of the south fork of County Road 100 (variable width right-of-way), for the northeast corner of the herein described tract;

THENCE, with the westerly right-of-way line of the south fork of said County Road 100, S 21°30'32" E, a distance of 670.80 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the intersection of the westerly right-of-way line of the south fork of said County Road 100 with the westerly right-of-way line of said FM 1660, for an outside corner of the herein described tract;

THENCE, with the westerly right-of-way line of said FM 1660, S 68°29'28" W, a distance of 15.00 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an inside corner of the herein described tract;

THENCE, with the westerly right-of-way line of said FM 1660, S 21°30'32" E, a distance of 1,672.10 feet to the POINT OF BEGINNING and containing 199.464 acres of land, more or less.

EXHIBIT C-2

Peterson Tract 2

FIELD NOTES FOR A 27.009 ACRE TRACT OF LAND IN THE JOHN DYKES SURVEY, ABSTRACT NO. 186, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 26.981 ACRE TRACT OF LAND AS CONVEYED TO HJALMAR, LLC BY GENERAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2010055556 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 27.009 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found on the westerly right-of-way line of F.M. 1660 (variable width right-of-way) at the northeast corner of the above described Hjalmar, LLC 27.041-acre tract, at the southeast corner of the called 30.00 acre tract of land described as Tract Two as conveyed to Hilda J. Peterson, Trustee, The Peterson Family Trust-Decedent's Trust B, by Special Warranty Deed recorded in Document Number 2018022732 of the Official Public Records of Williamson County, Texas, for the northeast corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the westerly right-of-way line of said FM 1660, S 21°06'38" E a distance of 743.00 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the southeast corner of said Hjalmar, LLC 27.041-acre tract, at the most easterly northeast corner of the called 62.956 acre tract of land as conveyed to Marvin Sturm and Iola Sturm by Deed with Vendor's Lien recorded in Volume 1174, Page 282 of the Official Records of Williamson County, Texas, for the southeast corner of the herein described tract;

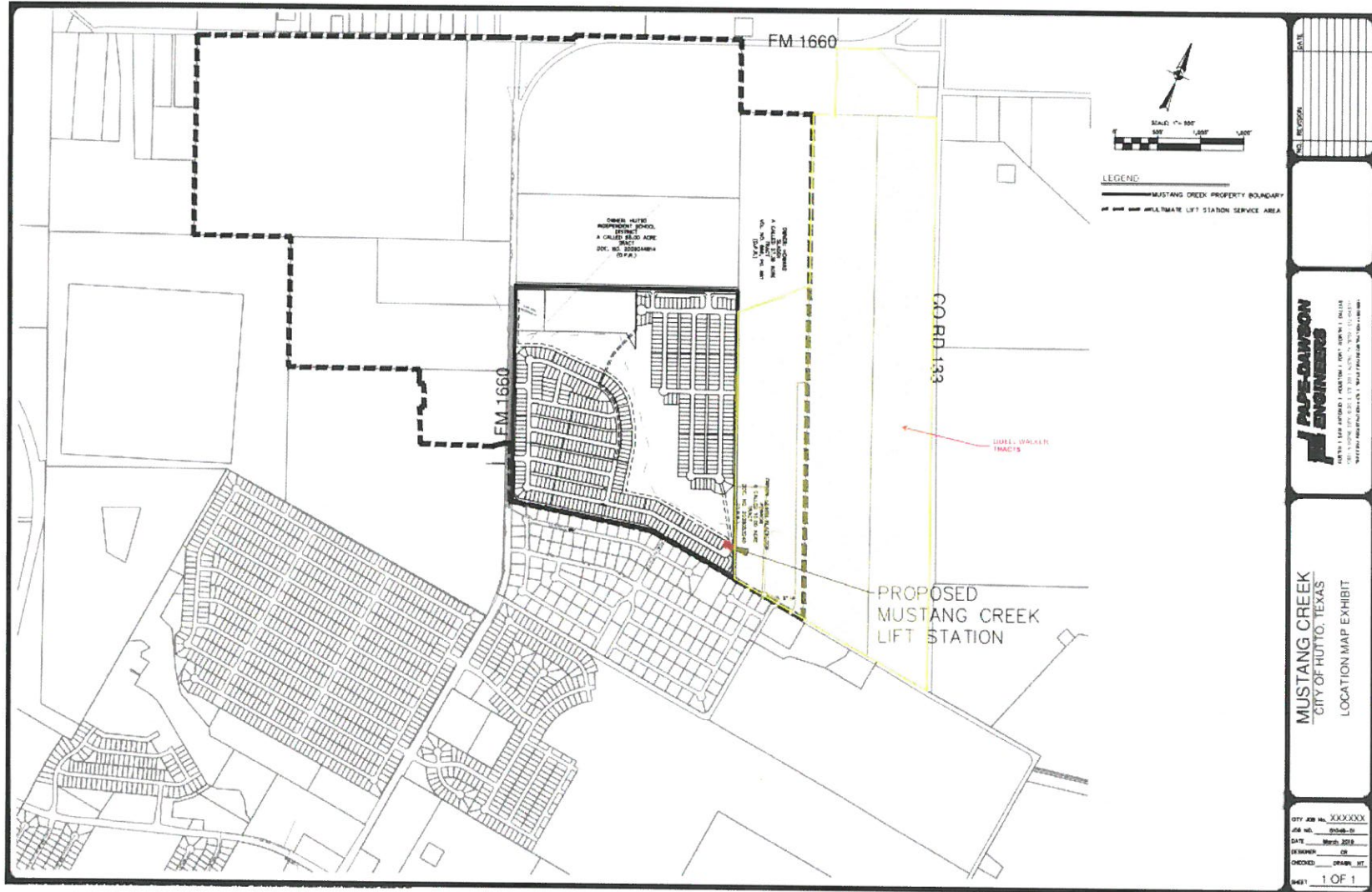
THENCE, departing the westerly right-of-way line of FM 1669 with a northwest line of the Sturm 62.956-acre tract, S 68°42'06" W a distance of 1,581.94 feet to a 1/2-inch iron rod found at the southwest corner of said Hjalmar, LLC 27.041-acre tract, at an interior corner of said Sturm 62.956-acre tract, for the southwest corner of the herein described tract;

THENCE, with a northeast line of the Sturm 62.956-acre tract, N 21°04'53" W a distance of 744.60 feet to a 5/8-inch iron rod found on the southerly line of the called 170.00 acre tract of land described as Tract Three as conveyed to Hilda J. Peterson, Trustee, The Peterson Family Trust-Decedent's Trust B, by said Special Warranty Deed recorded in Document Number 2018022732 of the Official Public Records of Williamson County, Texas, at the northwest corner of said Hjalmar, LLC 26.981-acre tract, at the northeast corner of said Sturm 62.956-acre tract, for the northwest corner of the herein described tract;

THENCE, with the southwest lines of said Peterson 170.00-acre tract and 30.00-acre tract, N 68°45'34" E a distance of 1,581.56 feet to the POINT OF BEGINNING and containing 27.009 acres of land, more or less.

EXHIBIT D

Wastewater Lift Station



{W1064149.5}

Exhibit D

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

This FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this "First Amendment") is made effective as of the 17th day of August, 2023 (the "Effective Date"), by and between WMV North Hutto, LLC, a Texas limited liability company (the "Owner"), and the City of Hutto, Texas, a municipal corporation (the "City"), acting by and through its duly authorized representative (the City and the Owner are individually referred to herein as a "Party" and collectively as the "Parties"). Capitalized terms used herein and not otherwise defined shall have those meanings ascribed to them in the Agreement (defined herein).

RECITALS

A. WHEREAS, on October 7, 2021, the City and the Owner entered into that certain Development Agreement (collectively with this First Amendment, the "Agreement"), in which the Parties set forth the terms and conditions for the planning, design, construction, development, and financing of the Project (defined in the Agreement);

B. WHEREAS, on October 20, 2022, the City Council of the City approved Resolution No. R-2022-065 amending the City's Public Improvement District Policy (the "PID Policy");

C. WHEREAS, the Parties now wish to amend the Agreement to ensure compliance with the City's updated PID Policy;

D. WHEREAS, capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Agreement; and

NOW, THEREFORE, the Owner and the City hereby agree as follows:

Section 1. Definitions. Section 2.01 is hereby amended to include the following terms, in alphabetical order therein:

“**Authorized Improvements**” means those improvements to be funded by the PID.

“**Dissolution Petition**” is attached hereto as Exhibit G.

“**PFA**” is defined in Section 5.01.

“**Phasing Plan**” is attached hereto as Exhibit H.

“**PID**” is defined in Section 6.01.

“**PID Act**” is defined in Section 6.01.

Section 2. Open Space Lot and Parkland. Section 4.03(b) is hereby deleted and replaced by the following:

(b) The Owner shall enter into a license agreement to maintain the open space lot, depicted on **Exhibit E**, attached hereto (the “**Open Space Lot**”), and the license agreement shall provide for assignment to the Home Owners’ Association for the Project. The license agreement shall further provide the City with a right of entry and enforcement to enforce its regulations and requirements with respect to maintaining the Open Space Lot. The Owner shall pay the fee-in-lieu of parkland dedication outlined in the City’s fee schedule, calculated at \$800.00 (EIGHT HUNDRED AND NO/100 DOLLARS) per single family lot platted on the Property. Additionally, if the City issues the first series of PID bonds for the Project, and upon the City’s request, the Owner shall dedicate the Open Space Lot and the remaining open space and parkland depicted on the Lidell Walker Preliminary Plat (collectively, the “**Parkland**”) to the City as public parkland at final plat or by separate deed.

Section 3. Wastewater. A new Section 4.03(g) is hereby added as follows:

(g) If the City’s creates the PID, the Owner shall complete a preliminary design for a 24” sewer line along Mustang Creek approximately 1,625 linear feet in length as generally described and/or depicted on **Exhibit F** attached hereto (“**Future Wastewater Line**”) and thereafter submit a preliminary cost estimate to the City for review. The City shall determine a reasonable estimate of the costs, including design costs, to construct the Future Wastewater Line, which sum shall not exceed \$1,000,000.00 (the “**Future Wastewater Line Costs**”). The Owner shall deposit with the City, within thirty (30) days after the closing date of the second series of PID bonds issued for the Project, a sum totaling the Future Wastewater Line Costs. The Future Wastewater Line Costs deposited by the Owner shall be used solely for construction of the Future Wastewater Line and professional and administrative costs related thereto. The Owner shall grant an easement to the City up to thirty (30) feet in width on the portion of the Property on which the proposed Future Wastewater Line shall be constructed and shall also provide an additional temporary construction easement up to thirty (30) feet in width as a part of a final plat.

Section 4. Community Benefits. A new Section 4.04 is hereby added as follows:

4.04 Community Benefits. The Owner incentives to the Project shall include those benefits described in **Exhibit G**, attached hereto.

Section 5. Phasing. A new Section 4.05 is hereby added as follows:

4.05 Phasing. The Project will be developed in phases. The Owner’s current estimated phasing plan is generally depicted on **Exhibit H**, attached hereto. The City hereby acknowledges that the Owner’s Phasing Plan may be amended from time to time as development of the Project progresses.

Section 6. Fiber. A new Section 4.06 is hereby added as follows:

4.06 Fiber. The Owner shall cause the installation of a fiber-optic conduit within each applicable parcel within the Property such that a system of fiber-optic lines may be installed when available and practicable to serve the Property with high-speed internet.

Section 7. Natural Gas. A new Section 4.07 is hereby added as follows:

4.07 Natural Gas. If natural gas lines are available within the vicinity of the Property, the Owner shall install a system of natural gas lines to serve the Property so long as such installation results in zero additional off-site costs to the Owner.

Section 8. Public Improvement District. A new Article VI is hereby added as follows:

ARTICLE VI
PUBLIC IMPROVEMENT DISTRICT

6.01 Public Improvement District.

(a) The City may use its discretion to create a public improvement district (the “PID”), which will cover the Property and may provide support to the Project in a financially feasible manner in accordance with Chapter 372 of the Texas Local Government Code (the “PID Act”) and all other applicable state law.

(b) The Owner has submitted a petition to create the PID. The City may, in its discretion and using its best efforts, initiate and approve all necessary documents and ordinances required to effectuate this Agreement, to create the PID, and to levy assessments. The Owner shall prepare and the City may consider the approval of the PID Financing Agreement (the “PFA”) and a service and assessment plan providing for the levy of the assessments on the Property. The PID proceeds will be used to fund or reimburse the Owner for the Authorized Improvements, as provided for in the service and assessment plan, if the City prepares a proposed assessment roll, approves the PFA, and files the service and assessment plan and proposed assessment roll with the City Secretary for the City for public inspection, the City may levy special assessments against the Property with an assessment ordinance.

6.02 PID Bond Issuance. Subject to the satisfaction of conditions set forth in this section, the City may issue PID bonds solely for the purposes of acquiring or constructing Authorized Improvements. The Owner may request issuance of one or more series of PID bonds by filing with the City a list of the Authorized Improvements to be funded with the PID bonds and the estimated costs of such Authorized Improvements together with any other information reasonably requested by the City or its consultants. Such public improvements and bond financing will be more particularly described in a service and assessment plan and the PFA for the PID bonds being issued.

6.03 Special Districts. The Owner shall not to create any other special district vehicles that may overlay the PID; including, but not limited to, municipal utility districts and water control and improvement districts.

6.04. Dissolution. The City may, by a majority vote of the City Council, dissolve the PID if development of the PID does not commence within three years after the Effective Date of the First Amendment, pursuant to the terms of the Dissolution Petition attached hereto as Exhibit I.

Section 9. Exhibits.

(a) Section 5.16 is hereby amended by adding the following after “**Exhibit D: Wastewater Lift Station**”:

- Exhibit E:** Open Space Lot
- Exhibit F:** Future Wastewater Line
- Exhibit G:** Community Benefits
- Exhibit H:** Phasing Plan
- Exhibit I:** Dissolution Petition

- (b) Attachment I is hereby added to the Agreement as Exhibit E.
- (c) Attachment II is hereby added to the Agreement as Exhibit F.
- (d) Attachment III is hereby added to the Agreement as Exhibit G.
- (e) Attachment IV is hereby added to the Agreement as Exhibit H.
- (f) Attachment V is hereby added to the Agreement as Exhibit I.

Section 10. Statutory Verifications.

(a) Anti-Boycott. 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 Owner 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 the City to comply with such section and to the extent such section does not contravene applicable Federal or State law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

(b) Iran, Sudan and Foreign Terrorist Organizations. The Owner represents and verifies that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,

or

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or

federal law and excludes the Owner and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(c) 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 Owner 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.

(d) 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 Owner 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,

(1) “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,

- (2) "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
- (3) "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.

As used in Sections 6(a) through (d), the Owner understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Owner within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 11. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Owner's participation in the execution of this First Amendment 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 shall confirm receipt of the Form 1295 from the Owner, and the City shall acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Owner and the City 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 Owner; and, neither the City nor its consultants have verified such information.

Section 12. Miscellaneous.

(a) Except as expressly amended hereby, the Agreement and all rights and obligations created thereby or thereunder are in all respects ratified and confirmed and remain in full force and effect. Where any section, subsection or clause of the Agreement is modified or deleted by this First Amendment, any unaltered provision of such section, subsection or clause of the Agreement shall remain in full force and effect. However, where any provision of this First Amendment conflicts or is inconsistent with the Agreement, the provision of this First Amendment shall control.

(b) This First Amendment (i) shall be governed by, construed under and enforced in accordance with the laws of the State of Texas; (ii) shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; (iii) may be modified or amended only in writing signed by each party hereto; and (iv) embodies the entire First Amendment and understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements relating to such subject matter.

(c) To facilitate execution of this First Amendment, the parties may execute and exchange counterparts of the signature pages by electronic mail transmission or facsimile, which counterparts will be deemed original upon receipt.

This First Amendment is executed and delivered by the Parties, effective as of the date first written above.

[Signature page(s) to follow]

CITY:

City of Hutto, Texas,
a municipal corporation

By: [Signature]
Name: James Earp
Title: City Manager

ATTEST:

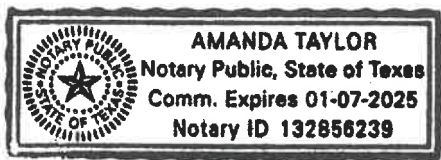
By: [Signature]
Name: Angela Lewis
Title: City Secretary

STATE OF TEXAS §
COUNTY OF Williamson §

This instrument was acknowledged before me on this 17th day of August, 2023, by Angela Lewis, City Secretary of the City of Hutto, Texas, a municipal corporation, on behalf of said municipality.

[Signature]
Notary Public, State of Texas

(SEAL)



[Signatures continue on next page.]

OWNER:

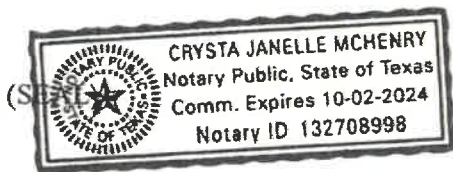
WMV North Hutto, LLC, a Texas limited liability company

By: WayMaker Ventures, LLC, a Texas limited liability company, its Sole Member

By: *[Signature]*
Name: JAMES DOUGHERTY
Title: Manager

STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this 6 day of July, 2023, by James Dougherty, Manager of WayMaker Ventures, LLC, a Texas limited liability company, the Sole Member of WMV North Hutto, LLC, a Texas limited liability company, on behalf of said entities.



[Signature]
Notary Public, State of Texas

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APPENDIX G
FINANCING AGREEMENT

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PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT

FINANCING AGREEMENT

BY AND BETWEEN

GRBK EDGEWOOD LLC, a Texas limited liability company

AND

THE CITY OF HUTTO, TEXAS

**PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT
FINANCING AGREEMENT**

This **PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT FINANCING AGREEMENT** (this “**Agreement**”), dated as of the 21st day of October 2024, (the “**Effective Date**”), is entered into by and between **GRBK EDGEWOOD, LLC**, a Texas limited liability company (including its Designated Successors and Assigns (defined below), the “**Managing Developer**” or “**Green Brick**”) and the **CITY OF HUTTO, TEXAS** (the “**City**”), a home-rule municipal corporation of the State of Texas, with Meritage Homes of Texas, LLC, an Arizona limited liability company (“**Meritage**” or “**Consenting Party**”, and collectively with the Managing Developer, the “**Owners**”). The Managing Developer and the City are sometimes collectively referred to herein individually as a “**Party**” and collectively as the “**Parties**”. Capitalized terms used herein and not otherwise defined are set forth in **Exhibit “A”**, attached hereto and made a part hereof, and in the Service and Assessment Plan, upon approval by the City.

RECITALS:

WHEREAS, on October 26, 2023, WMV North Hutto, LLC, a Texas limited liability company (the “**Original Owner**”) conveyed to the Owners approximately 263.02 acres of land more particularly described on **Exhibit “B”**, attached hereto and made a part hereof (the “**Property**”), pursuant to that certain Special Warranty Deed recorded as Document No. 2023089401 in the Official Public Records of Williamson County, Texas; and

WHEREAS, the Managing Developer and the Consenting Party intend to develop the Property as a single-family residential development to be known as “**Prairie Winds**” (the “**Project**”, formerly known as “Lidell Walker”) as further described on **Exhibit “C”**, attached hereto and made a part hereof; and

WHEREAS, the City Council of the City (the “**City Council**”) authorized the formation of the Lidell Walker Public Improvement District pursuant to Resolution No. R-2023-140 on July 6, 2023 (the “**District**”) in accordance with the Chapter 372 of the Local Government Code (the “**PID Act**”); and

WHEREAS, the City, upon written request of the Managing Developer, has agreed to formally change the name of the District to “Prairie Winds Public Improvement District” on even date herewith; and

WHEREAS, upon request by the Managing Developer, the City Council intends to consider approval of an acquisition and reimbursement agreement to reimburse the Developer for certain Actual Costs incurred by the Developer to construct Authorized Improvements that provide a benefit to a given Improvement Area of the District, a form of which is attached here to as **Exhibit “E”**; and

WHEREAS, pursuant to that certain Joint Ownership and Development Agreement entered into by the Managing Developer and the Consenting Party on October 26, 2023 (the

“JODA”), the Managing Developer and the Consenting Party designated Green Brick as the “Managing Developer”, as defined therein, and empowered Green Brick to act on behalf of itself and the Consenting Party with respect to this Agreement, with the consent of the Consenting Party with respect to any Major Decisions (defined in the JODA); and

WHEREAS, on October 7, 2021, the City Council approved that certain Development Agreement by and between the Original Owner and the City, as amended by that certain First Amendment to Development Agreement on July 6, 2023, which collectively provide for the terms and conditions of development standards for the Property (collectively, and as may be amended from time to time, the “**Development Agreement**”); and

WHEREAS, the Original Owner assigned all of its right, title and interest in and to the Development Agreement to the Owners on October 26, 2023, pursuant to that certain General Assignment and Bill of Sale by and between the Original Owner and the Owners; and

WHEREAS, the Owners desire and intend to design, construct and install and/or make financial contributions to certain on-site and off-site public improvements to serve the development of the Property, and pursuant to the terms of this Agreement, the City has agreed to accept and to pay or reimburse the Managing Developer for a portion of certain public improvements that will serve the Property in the District, as generally described on Exhibit “D” and Exhibit “D-1” attached hereto and made a part hereof (the “**Authorized Improvements**”); and

WHEREAS, pursuant to the terms of this Agreement, the City has agreed that the Authorized Improvements provide a special benefit to the Property and to allow financing of the Authorized Improvements conferring special benefits to the Property through the levy of Special Assessments on property located within the District; and

WHEREAS, the Managing Developer anticipates developing the Project in phases, with the District being divided, for development planning purposes, into Improvement Area #1 and the Future Improvement Area, as more particularly described on Exhibit “C-1” (Improvement Area #1 and the Future Improvement Area are each individually referred to herein as an “**Improvement Area**” and collectively as the “**Improvement Areas**”). The Managing Developer intends to further divide the Future Improvement Area into two or more Improvement Areas as development progresses to the Future Improvement Area. The Project and the financing thereof within each Improvement Area will proceed according to the terms specified in this Agreement.

WHEREAS, the Managing Developer proposes to construct certain Authorized Improvements that are intended to benefit only one Improvement Area, while other Authorized Improvements may provide a benefit to more than one Improvement Area or the entire District (“**Major Improvement**”), to wit: (A) certain of the Authorized Improvements will benefit only Improvement Area #1; (B) certain of the Authorized Improvements will benefit only the Future Improvement Area, or a subdivision thereof; and (C) certain of the Authorized Improvements may benefit more than one Improvement Area or the entire District. The Authorized Improvements will be more fully described in the Service and Assessment Plan (or an update thereto) to be approved by the City.

WHEREAS, \$3.10 is the aggregate Tax Equivalent Assessment Rate of Special Assessments (including the Annual Installment) plus all ad valorem taxes levied by all political subdivisions within the District, and \$60,000,000 is the maximum aggregate par amount of PID Bonds that may be issued to finance, fund or reimburse eligible Authorized Improvements constructed by the Managing Developer; and

WHEREAS, the City, subject to the consent and approval of the City Council, the satisfaction of all conditions for the issuance of PID Bonds and Managing Developer's compliance with the City's PID Policy and this Agreement and the Development Agreement, and in accordance with the terms of this Agreement and any other legal requirements, will consider : (i) the adoption of a Service and Assessment Plan for each Improvement Area; (ii) the adoption of an Assessment Ordinance for each Improvement Area; and (iii) authorizing the issuance of PID Bonds, in one or more series at the City's sole discretion, for each Improvement Area for the purpose of financing the costs of the Authorized Improvements within each respective Improvement Area and paying associated costs as described herein;

WHEREAS, prior to consideration of the sale of a series of PID Bonds: (a) the City Council shall have considered, approved and adopted this Agreement; (b) the City shall have considered, reviewed and approved the Home Buyer Disclosure Program; (c) owners of the Property constituting all of the acreage in the District at the time of the issuance of the PID Bonds shall have executed a Landowner Agreement (as defined in Section 3.02, herein); and (d) the Managing Developer shall have delivered a fully executed copy of the Landowner Agreement to the City; and

WHEREAS, the City will, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement, accept the Authorized Improvements, or Segments thereof, other than the Jonah Water Improvements, provided for in this Agreement and the Managing Developer will be paid or reimbursed for the costs of the Authorized Improvements, or Segments thereof, solely from Special Assessments or from the proceeds of the PID Bonds, for the costs of acquisition, construction and improvement of the Authorized Improvements or Segments thereof that are completed, dedicated to and accepted by the City, subject to the terms and limitations set forth herein. The Jonah Water Improvements will be dedicated to and accepted by Jonah SUD.

WHEREAS, the City agrees to pay or reimburse the Managing Developer for the Actual Costs of the Authorized Improvements from the proceeds of PID Bonds or Special Assessment Revenues derived from levy of Special Assessments on property located within the District in accordance with the terms and provisions of this Agreement. Subject to the limitations of the PID Act, the City Charter and the City's PID Policy, the City has the authority to issue, from time to time, one or more series of PID Bonds, the proceeds of which will be used to pay the costs of Authorized Improvements, or Segments thereof, including indebtedness to pay capitalized interest and a reserve fund permitted by the PID Act for revenue bonds issued under the PID Act and indebtedness issued to pay the City's costs of issuance in accordance with this Agreement.

WHEREAS, the City has determined that it is in its best interests to enter into this Agreement with the Managing Developer for the construction and/or acquisition of the Authorized

Improvements, or Segments thereof, which will result in the efficient and effective implementation of each Service and Assessment Plan.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the Parties hereto agree as follows:

AGREEMENT

ARTICLE I. RECITALS AND DEFINED TERMS

The recitals set forth above are true and correct and are incorporated herein and made a part hereof as findings for all purposes.

ARTICLE II.
CONSTRUCTION OF AUTHORIZED IMPROVEMENTS; ACCEPTANCE

Section 2.01. Authorized Improvements. The Managing Developer shall be responsible for construction of all the Authorized Improvements, or Segments thereof, to be completed, in a good and workmanlike manner, and in accordance with all Applicable Regulations. The costs of the Authorized Improvements are subject to change and shall be updated by the Managing Developer and the City in a manner consistent with each Service and Assessment Plan and the PID Act, and shall be included on each approved final plat(s) for the Property, as each final plat for each phase of the Property is approved by the City Council. The actual or estimated Actual Costs, as applicable, of the Authorized Improvements will be reviewed annually by the Parties and included in an annual update of each Service and Assessment Plan adopted and approved by the City. The Authorized Improvements and the estimated costs thereof are identified in **Exhibit “D”** hereto. Each Service and Assessment Plan may need to be amended over time if there are any changes to the specification or plans relating to an Authorized Improvement. The Parties acknowledge that the Authorized Improvements described in **Exhibit “D”** are subject to change, and that the Service and Assessment Plan for any given Improvement Area will provide information on the Authorized Improvements and will control when in conflict with **Exhibit “D”**. The procedures provided below in Section 4.02 and Section 4.03 shall apply to each Improvement Area. The procedures therein shall be read to apply to each Improvement Area (e.g. if reference is made to an Acquisition and Reimbursement Agreement, to Assessment Revenues, or to PID Bonds, such reference applies only to an Acquisition and Reimbursement Agreement, to Assessment Revenues, or to PID Bonds applicable to that Improvement Area). The Managing Developer shall be responsible for payment of the Actual Costs of the Authorized Improvements. The costs of the Authorized Improvements are eligible for payment or reimbursement by the City as provided in **Article II** hereof. If the Managing Developer is unable or unwilling to perform its obligations with respect to the construction of the Authorized Improvements, the City may complete the construction of the Authorized Improvements and use Special Assessment Revenues and PID Bond proceeds to pay the cost thereof in accordance with the terms hereof, particularly Section 2.04(ii).

Section 2.02. Inspections; Acquisition of Authorized Improvements. To the extent not previously approved, the Managing Developer will obtain approval of construction plans as required by all Applicable Regulations, for an Authorized Improvement from the City prior to commencing construction of such Authorized Improvement. Approval by the City, the City Engineer or the City Construction Representative, of any plans, designs or specifications submitted by Managing Developer pursuant to this Agreement or pursuant to all Applicable Regulations shall not constitute or be deemed to be a release of the responsibility and liability of Managing Developer, the Project 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 Managing Developer or Managing Developer’s Project Engineer, or such engineer’s officers, agents, servants or employees. Approval by the City Engineer or City Construction Representative signifies the City’s approval on only the general design concept of the improvements to be constructed or the improvements constructed.

(b) The City shall have the right to inspect, at any time, the construction of all Authorized Improvements necessary to support the Project. The City's inspections and/or approvals shall not release the Managing Developer from its responsibility to construct, or cause the construction of, Authorized Improvements in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property.

(c) The City may withhold building permits, certificates of occupancy or City utility services as to any portion of the Project if the Managing Developer materially and adversely fails to meet its obligations under this Agreement and the Development Agreement to construct the required Authorized Improvements or Segments thereof, according to the approved engineering plans and all Applicable Regulations, and if such failure constitutes a Default in accordance with Section 8.01(b) of this Agreement. It shall not be a breach or violation of this Agreement if the City withholds building permits, certificates of occupancy or City utility services as to any portion of the Project in accordance with this Section until the Managing Developer cures the applicable Default and/or such Authorized Improvement has been dedicated to and accepted by the City.

(d) The Managing Developer shall dedicate, convey, or otherwise provide for the benefit of the City or Jonah SUD (each an "**Applicable Entity**"), as applicable, the Authorized Improvements, or Segments thereof, identified on **Exhibit "D"** of this Agreement upon completion of said Authorized Improvements, or Segments thereof, and the Applicable Entity will accept such dedication of such Authorized Improvements, or Segments thereof, after confirming that the Authorized Improvements, or Segments thereof, have been completed in accordance with this Agreement, the Development Agreement and all Applicable Regulations. Acceptance by the Applicable Entity shall not be unreasonably withheld, conditioned or delayed.

(e) The Managing Developer shall complete construction of all the Non-PID Financed Public Improvements in a good and workmanlike manner, and in accordance with all Applicable Regulations. The costs of Non-PID Financed Public Improvements are subject to change and shall be included on each approved final plat(s) for the Property as each final plat for each phase of the Property is approved by the City Council. The actual and estimated costs of the Non-PID Financed Public Improvements and the timetable for installation of the Non-PID Financed Public Improvements will be reviewed annually by the Parties and approved by the City. The Non-PID Financed Public Improvements and the actual or estimated costs thereof are identified in **Exhibit "D-2"** hereto. The Managing Developer shall be responsible for the costs of the Non-PID Financed Public Improvements. The costs of the Non-PID Financed Public Improvements are not eligible for payment or reimbursement by the City.

Section 2.03. Designation of Construction Manager, Project Engineers. The City hereby designates the Managing Developer, as the initial Construction Manager with full responsibility for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of construction, and the bidding and letting of construction contracts for the construction of the Authorized Improvements in accordance with the provisions of this **Article II**, subject to the City's review and approval of design specifications and easement locations.

(b) If the Construction Manager is (i) unable (not caused by Force Majeure) or unwilling to perform its duties and responsibilities hereunder or (ii) is not performing the duties

and responsibilities of the Construction Manager in accordance with the terms of this Agreement, the City may find the Managing Developer to be in Default in accordance with Section 8.01(b) of this Agreement. If the Default is not cured within the Cure Period, the City may: (1) allow the Managing Developer additional time to cure the Default based on adequate assurance in writing by the Managing Developer that the Construction Manager will perform, (2) require that adequate funds be held in escrow or deposited into a segregated account of the Project Fund as identified in the applicable Trust Indenture, or (3) replace the Construction Manager any time after the Cure Period has elapsed.

Section 2.04. Designation of Construction Manager Subcontractor. The Managing Developer may subcontract out all or some of the duties of Construction Manager to a third party, with the written consent of the City, such consent not to be unreasonably withheld, conditioned, or delayed. Managing Developer may designate a homebuilder, an individual, company, partnership, or other entity (each a “**Third-Party Contractor**”), as a subcontractor for construction management services for one or more Authorized Improvements or Segments thereof. The Managing Developer shall provide written notice to the City within three (3) business days of such designation. Within five (5) business days after executing a contract with a Third-Party Contractor, the Managing Developer shall:

(i) provide a copy of the executed contract to the City Construction Representative, and

(ii) obtain from the Third-Party Contractor a collateral assignment of the Managing Developer’s rights under the contract with the Third-Party Contractor solely as they relate to the Authorized Improvements or Segments thereof related to the contract with the Third-Party Contractor, in a form satisfactory to the City Construction Representative, which authorizes the City to utilize the services of such Third-Party Contractor to complete the construction of such Authorized Improvements or Segments thereof, if the Managing Developer fails to do so as provided in this Agreement.

Section 2.05. Mandatory Owners Association.

(a) Prior to the sale of any platted lots within the District, the Managing Developer shall create an Owners Association for the Property, and shall establish bylaws, rules, regulations and restrictive covenants (collectively the “**Association Regulations**”) to assure the Owners Association performs and accomplishes the duties and purposes required to be performed and accomplished by the Owners Association pursuant to this Section.

(b) The Owners Association will have a binding, continuing responsibility for the maintenance, repair and operation of the HOA-Maintained Improvements. The Association Regulations shall establish periodic Owners Association dues and assessments, to be charged and paid by the lot owners within the Property, that are and will be sufficient to (i) pay the Owners Association’s Annual Installments of Special Assessments (if any), (ii) maintain the HOA-

Maintained Improvements and (iii) to provide funds required for the management and operation of the Owners Association.

(c) The Owners Association dues and assessments that are established, maintained and collected by the Owners Association shall be in addition to, and not in lieu of, any and all other fees, charges and Special Assessments that will be applicable to the Property.

Section 2.06. Payment and Performance Bonds for Authorized Improvements. For each construction contract for any part of the Authorized Improvements, the Managing Developer or Managing Developer's contractor shall execute a performance bond in favor of the City and a payment bond for the construction and work covered by those contracts, which bonds shall be in accordance with Chapter 2253 of the Texas Government Code, and all Applicable Regulations. The performance bond requirement will be reduced by an amount equal to any PID Bond proceeds held by the Trustee in the Project Fund and any additional financial support by the Managing Developer at the time of the issuance of PID Bonds, if applicable, and agreed upon by the Managing Developer and the City.

Section 2.07. Maintenance of Project, Warranties.

The Managing Developer shall maintain each Authorized Improvement, or Segment thereof, in good and safe condition in accordance with applicable all Applicable Regulations until such Authorized Improvement, or Segment thereof, is accepted by the City. The City's acceptance of Authorized Improvements, or Segment thereof, shall be in accordance with all Applicable Regulations and procedures for the acceptance of subdivision improvements. Prior to such acceptance, the Managing Developer shall be responsible for performing any required maintenance on such Authorized Improvement, or Segment thereof. On or before the acceptance by the City of an Authorized Improvement, or Segment thereof, the Managing Developer shall assign to the City, as applicable, all of the Managing Developer's rights in any warranties, guarantees, maintenance obligations or other evidences of contingent obligations of third persons with respect to such Authorized Improvement, or Segment thereof, and shall provide the City with a two year maintenance bond from the date of final acceptance of the applicable Authorized Improvements, or Segment thereof, that guarantee the costs of any repairs which may become necessary to any part of the construction work performed in connection with the Authorized Improvements, or Segment thereof, for each Authorized Improvement to be accepted by the City.

Section 2.08. Sales and Use Tax Exemptions. The Parties understand that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Authorized Improvements to be acquired by the City are exempt under the current Tax Code from sales and use taxes levied by the State of Texas, or by any city, county, special district, or other political subdivision of the State, as set forth in Section 151.309 of Tax Code and 34 Tex. Admin. Code, sec. 3.291.

(b) Upon request of the Managing Developer, and to the extent provided by law, the City will provide such certifications to the Managing Developer and/or to suppliers and contractors as may be required to assure the exemptions claimed herein.

(c) The City and the Managing Developer shall cooperate in structuring the construction contracts for the Authorized Improvements to comply with requirements (including those set forth in 34 Tex. Admin. Code, sec. 3.291) for exemption from sales and use taxes.

Section 2.09. Regulatory Requirements. Notwithstanding anything to the contrary contained herein, the Managing Developers shall be responsible for the costs of designing, constructing, and obtaining the Applicable Entity's acceptance of the Authorized Improvements, in accordance with all Applicable Regulations, the City-approved plans and specifications, and "Recognized and Generally Accepted Good Engineering Practices", as such term is defined and interpreted by the Federal Occupational Safety and Health Administration.

(b) With respect to the construction of the Authorized Improvements, it is understood that their construction will be exempt from any public bidding or other purchasing and procurement policies pursuant to the current Texas Local Government Code Section 252.022(a)(9), which states that an expenditure is exempt from such policies for "paving drainage, street widening, and other public improvements, or related matters, if at least one third of the cost is to be paid by or through Special Assessments levied on Property that will benefit from the improvements." The Managing Developer will request bids from at least three (3) independent, competent contractors for the construction of the Authorized Improvements and provide copies of the bids to the City.

Section 2.10. Insurance. All contractors, subcontractors, engineers, and consultants shall carry and maintain throughout the term of this Agreement (except as specifically noted below) the following insurance policies:

(i) Workers' compensation and employers' liability insurance coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act and minimum policy limits for employers' liability of \$1,000,000 bodily injury for each accident, \$1,000,000 bodily injury by disease policy limit and \$1,000,000 bodily injury by disease each employee. City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund. The insurance required by this subsection shall be in effect commencing not later than the commencement of construction of any portion of the Project.

(ii) Automobile liability insurance for all owned, non-owned, and hired motor vehicles used, with respect to the Property or the Project in a minimum amount of \$1,000,000, combined single limit.

(iii) Commercial general liability policy with a minimum limit of \$1,000,000 per occurrence for bodily injury and/or property damage, with a minimum aggregate of \$1,000,000 and blanket contractual coverage, independent contractors' coverage and explosion, collapse, and underground (X, C & U) coverage.

(iv) For contractors/subcontractors providing professional engineering, architectural or design services under this Agreement, engineers' professional liability insurance or other errors and omissions insurance coverage for the non-engineer

professionals with a minimum limit of \$1,000,000 per claim and in the aggregate to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission committed or alleged to have been committed with respect to plans, maps, drawings, analyses, reports, surveys, change orders, designs or specifications prepared or alleged to have been prepared by the assured. The insurance required by this subsection shall be in effect commencing not later than the commencement of submission to City for approval of permits for construction of any phase of the Project. The insurance will be renewed or extended as necessary to remain in force as for claims made for two (2) years after final acceptance of the applicable Projects by the City.

(v) For work that involves asbestos or any hazardous materials or risk of air, water or soil pollution, the following will be in addition to the other insurance required hereunder:

- a. Asbestos abatement endorsement or pollution coverage to the commercial general liability policy with minimum bodily injury and property damage limits of \$1,000,000 per occurrence for coverages A&B and products/completed operations coverage with a separate aggregate of \$1,000,000. This policy cannot exclude asbestos or any hazardous materials or pollution and shall provide "occurrence" coverage without a sunset clause.
- b. Pollution coverage in accordance with federal and state regulations requiring an MCS 90 endorsement with a \$5,000,000 limit when transporting asbestos in bulk in conveyances of gross vehicle weight rating of 10,000 pounds or more. All other transporters of asbestos shall provide either an MCS 90 endorsement with minimum limits of \$1,000,000 or an endorsement to their commercial general liability insurance policy that provides coverage for bodily injury and property damage arising out of the transportation of asbestos or other hazardous materials. The endorsement must, at a minimum, provide a \$1,000,000 limit of liability and cover events caused by the hazardous properties of airborne asbestos arising from fire, wind, hail, lightning, overturn of conveyance, collision with other vehicles or objects, and loading and unloading of conveyances.

(b) The insurance required under Section 2.10(a)(v) will only be required for the entity that is actually performing work involving asbestos or any hazardous materials or risk of air, water or soil pollution. For example, if the Managing Developer's contractor (instead of the Managing Developer) is performing such work, the contractor, not the Managing Developer, will be required to carry such insurance. The insurance required by this subsection shall be in effect commencing not later than the commencement of each phase of construction if that phase will include work involving asbestos or any hazardous materials or risk of air, water or soil pollution.

(c) The Managing Developer or Managing Developer's contractor shall not cause or permit any insurance required hereunder to be canceled or lapse during the term of this Agreement. With respect to subsections 2.10(a)(i), (ii) and (iii), insurance coverage is to be written by companies duly authorized to do the business of insurance in the State of Texas at the time the policies are issued and will be written by companies with an A.M. Best rating of A-VII or better or otherwise approved in writing by the City. Additionally, with respect to subsections 2.10(a)(i), (ii) and (iii), all policies will contain a provision in favor of the City waiving subrogation and other rights of recovery against the City, and will be endorsed to provide the City with a 30-day advance notice of cancellation or change in coverage, where permitted by policy language. The City will be an additional insured as its interests may appear on the commercial general and automobile liability policies. All policies will provide primary coverage as applicable, with any insurance maintained by the City being excess and non-contributing. The Managing Developer or Managing Developer's contractor shall submit copies of all Insurance Policy Documents and certificates of insurance to the City providing evidence of insurance coverage required by this Agreement on or before the commencement of the Projects except that asbestos, hazardous waste, pollution, and professional engineers and other errors and omissions policy documents need not be provided until those covered by such insurance commence work on the Projects or as otherwise provided in this Agreement. Copies of all Insurance Policy Documents will be promptly delivered to the City at the time the policies are issued, including copies of any and all changed or new Insurance Policy Documents. The Managing Developer or Managing Developer's contractor will be responsible for (i) overseeing its contractors with respect to such contractors' obtaining and maintaining the insurance required hereunder and (ii) obtaining and keeping copies of such Insurance certificates evidencing the insurance coverages required hereunder.

(d) All endorsements, waivers, and notices of cancellation shall be in favor of the City and policies of commercial general liability and automobile insurance shall provide that City is an additional insured and certificates of insurance evidencing same will be delivered to the City as provided in the Notices Section of this Agreement or such other address as the City may notify the Managing Developer or Managing Developer's contractor in writing.

(e) The Managing Developer or Managing Developer's contractor shall be responsible for paying premiums, deductibles and self-insured retentions, if any, stated in the insurance policies to be carried hereunder by the Managing Developer (not by its contractors and any subcontractors). All deductibles or self-insured retentions shall be disclosed on the Insurance Policy Documents. The insurance coverages required under this Agreement are required minimums and are not intended to limit or otherwise establish the responsibility or liability of the Managing Developer under this Agreement.

Section 2.11. Remedy.

Managing Developer's sole remedies for nonperformance of this Article II by the City shall be to seek specific performance, judicial injunction, or any legal damages directly arising from such nonperformance pursuant to the terms of this Agreement. Each party shall be responsible for payment of all costs of their respective attorney's fees.

ARTICLE III.
APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS

Section 3.01. Apportionment and Levy of Assessments. The City shall use its best efforts to initiate and approve all necessary documents and ordinances required to effectuate this Agreement and to levy Special Assessments. The Managing Developer acknowledges and agrees that a Service and Assessment Plan must meet the requirements of Texas Local Government Code §§ 372.013 and 372.014 and be presented to the City Council for review and approval prior to a series of PID Bonds being issued. A Service and Assessment Plan will be modified as required to comply with the requirements of the PID Act and the Texas Attorney General's Office. The annual indebtedness defined by the Service and Assessment Plan shall be consistent with the terms for the issuance of PID Bonds as set forth in this Agreement.

(b) The City shall use its best efforts to levy Special Assessments on the Assessed Properties in accordance herewith and with each Service and Assessment Plan. It is contemplated that the City will issue three series of PID Bonds, to pay or reimburse the Managing Developer for a portion of the Actual Costs of the Authorized Improvements. The Parties anticipate that the Actual Cost to construct the Authorized Improvements will be greater than the net proceeds of the PID Bonds or the Special Assessment Revenues available for reimbursement of the costs of the Authorized Improvements and the Managing Developer shall fund the difference.

Section 3.02. Acceptance of Special Assessments; Recordation of Covenants Running with the Land. Concurrently with the levy of the Special Assessments for the initial Improvement Area, the Managing Developer, any other owners of land within the District, and the City, shall execute a “**Landowner Agreement**” (herein so called) in which the Managing Developer and other owners, if applicable, (collectively, the “**Landowners**”) shall ratify, confirm, accept, agree to and approve: (a) the apportionment of assessments in the Service and Assessment Plan and the levy of the Special Assessments for the initial Improvement Area by the City, and agree to approve and accept the apportionment of assessments in each Service and Assessment Plan and the levy of each Special Assessment on all future Improvement Areas through an amendment to the Landowner Agreement; (b) the Home Buyer Disclosure Program; and (c) the creation of the PID, the boundaries of the PID, and the boundaries of the applicable Assessed Parcels. The Landowner Agreement further shall: (A) evidence the Landowners’ intent that all Special Assessments be covenants running with the land that (i) shall bind any and all current and successor owners of the Property to the Special Assessments, including applicable interest thereon, as and when due and payable thereunder and (ii) provide that subsequent purchasers of such property take their title subject to and expressly assume the terms and provisions of the Special Assessments; and (B) provide that the liens created by the levy of the Special Assessments are a first and prior lien on the Property, subject only to liens for state, municipality, county or school district ad valorem taxes.

Section 3.03. Collection of Assessments. So long as the City is obligated to reimburse the Managing Developer for the costs of the Authorized Improvements hereunder or any PID Bonds are outstanding, the City covenants and agrees that it shall, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected Special Assessments levied pursuant to an Assessment Ordinance. The Annual Installment of such Special Assessments will be updated at least annually in a Service and Assessment Plan pursuant to the terms of the PID Act in the manner and to the maximum extent permitted by applicable law. The City shall cause the PID Administrator to provide copies of any annual Service and Assessment Plan updates or amendments thereto to the Managing Developer not less than fourteen (14) days prior to the date of the City Council meeting at which such update is anticipated to be approved. For each Improvement Area, the City will deposit or cause to be deposited the respective Special Assessment Revenues into a segregated account, or if PID Bonds have been issued, then transferred to the Trustee and deposited in the funds and accounts in the priority set forth in the respective Indenture.

(b) Further notwithstanding anything to the contrary contained herein, the City covenants to use diligent, good faith efforts to contract with the Williamson County Tax Assessor-Collector for the collection of the Special Assessments such that the Special Assessments will be included on the ad valorem tax bill(s) for the Assessed Properties and will be collected as part of and in the same manner as ad valorem taxes.

ARTICLE IV.
PAYMENT OF ACTUAL COSTS OF AUTHORIZED IMPROVEMENTS

Section 4.01. Overall Requirements. Any payment obligation of the City hereunder shall be payable solely from Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds in accordance with this Agreement. No other funds, revenues, taxes, or income of any kind other than Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds, shall be used to pay the City's obligations hereunder. The obligations of the City under this Agreement shall not, under any circumstance, give rise to or create a charge against the general credit or taxing power of the City or constitute a debt or other obligation of the City payable from any source other than Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds. None of the City nor any of its elected or appointed officials or any of its respective officers, employees, consultants or representatives shall incur any liability hereunder to the Managing Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

(b) The City does not warrant, either expressed or implied, that the aggregate amount of all Special Assessment Revenues or proceeds of all PID Bonds will be sufficient for the construction or acquisition of all of the Authorized Improvements. The Parties anticipate that the Actual Costs will be greater than the aggregate amount of all Special Assessment Revenues or, if PID Bonds are issued, the net proceeds of such bonds available for Authorized Improvements. The Managing Developer shall bear one hundred percent (100%) of the Actual Costs of constructing the Authorized Improvements not paid from the proceeds of PID Bonds or Special Assessment Revenues.

(c) Upon completion of an Authorized Improvement, or Segment thereof, the Managing Developer shall dedicate or convey, and the Applicable Entity shall accept or acquire, as more particularly described in Article III above, the given Authorized Improvement, or Segment thereof, after such Authorized Improvement, or Segment thereof, is completed and has been accepted by the Applicable Entity. Upon written acceptance of an Authorized Improvement, or Segment thereof, and subject to any applicable maintenance-bond period, the Applicable Entity shall be responsible for all operation and maintenance of such Authorized Improvement, including all costs thereof and relating thereto.

(d) The procedures set forth in Section 4.02(d) below shall apply to all Certifications for Payment regardless of which account within the applicable Project Fund the actual funds are being paid from.

(e) Within sixty (60) days of receipt of an Assessment Levy Request for a given Improvement Area, the City will consider the adoption of an Assessment Ordinance that (i) approves a Service and Assessment Plan (or amendment or update thereof) identifying the Assessments applicable to a respective Improvement Area, (ii) levies said Special Assessments, and (iii) establishes the timeframe for collection of said Special Assessments. The City will levy and collect such Special Assessments in accordance with the approved Service and Assessment Plan, as amended or updated, and the applicable Assessment Order, as further provided in this Agreement.

(f) Following the execution of this Agreement, the City may consider the adoption of the Assessment Ordinance for Improvement Area #1 that (i) approves the Service and Assessment Plan identifying the costs of the Authorized Improvements providing a special benefit to Improvement Area #1, and, as applicable, Improvement Area #1's allocable share of the Major Improvements, (ii) approves the Special Assessments for Improvement Area #1, and (iii) levies said Special Assessments for Improvement Area #1. The City will levy and collect such Special Assessments in accordance with the approved Service and Assessment Plan, as amended or updated, and the applicable Assessment Ordinance as further provided in this Agreement.

(g) The aggregate Tax Equivalent Assessment Rate of Special Assessments (including the Annual Installment) plus all ad valorem taxes levied by all political subdivisions within the District shall be \$3.10. Notwithstanding the foregoing, Managing Developer may voluntarily elect to have the Tax Equivalent Assessment Rate of Special Assessments be less than \$3.10 and this shall not require approval by City Council.

Section 4.02. Payments for Authorized Improvements Prior to the Issuance of PID Bonds.

(a) Upon the approval of an Assessment Ordinance and prior to the issuance of a series of PID Bonds, the City shall bill and collect the Special Assessment Revenues collected from the Assessed Properties.

(b) Subject to Section 4.02(a) above, the costs of the Authorized Improvements will be initially funded through the applicable Acquisition and Reimbursement Agreement. Pursuant to the terms of such Acquisition and Reimbursement Agreement, the Managing Developer shall dedicate or convey, and the Applicable Entity shall accept or acquire, as more particularly described in Article III of this Agreement, the Authorized Improvement, after such Authorized Improvement is completed. The general process for funding the Authorized Improvements before the issuance of PID Bonds is described in this Section 4.02(b), and more specifically described in the Acquisition and Reimbursement Agreement.

(c) Pursuant to an Acquisition and Reimbursement Agreement, the City will reimburse the Managing Developer for Actual Costs incurred in connection with the applicable Authorized Improvements until PID Bonds (including Additional Bonds if requested by the Managing Developer) are issued to reimburse the Managing Developer for the Actual Costs of the Authorized Improvements benefiting the applicable Improvement Area or that Improvement Area's allocable share of the Major Improvements, as applicable, the proceeds of which equal the Reimbursement Obligation (defined in the applicable Acquisition and Reimbursement Agreement), less any amounts required for reserves and any other costs or expenses associated with issuing the PID Bonds, and less any payments made from the Trustee pursuant to the applicable Acquisition and Reimbursement Agreement. The Managing Developer will be reimbursed for only those Actual Costs for which Special Assessment Revenues or PID Bond proceeds are available.

(d) Following receipt of an Assessment Levy Request for an Improvement Area, the City shall consider the adoption of an Assessment Ordinance for the respective Improvement Area. The City will collect the Special Assessments in accordance with a Service and Assessment Plan

and the applicable Assessment Ordinance. Upon collection of such Special Assessments, the City will transfer or cause to be transferred the Assessment Revenues such that the Assessment Revenues will be held in a designated account separate from the City's other accounts (referred to herein as the "**Operating Account**"), such funds to be used to reimburse the Managing Developer for the Actual Costs of the applicable Authorized Improvements pursuant to the terms of the applicable Acquisition and Reimbursement Agreement, or, if PID Bonds have been issued, then transferred to the Trustee and deposited in the proper funds and accounts in the priority set forth in the applicable Indenture. Special Assessment Revenues shall only be used to pay Actual Costs of the Authorized Improvements in accordance with this Agreement.

(e) Pursuant to an Acquisition and Reimbursement Agreement, the Managing Developer may submit a Certification for Payment, in the form provided in **Exhibit "F-2"**, to the City for payment of the Actual Costs of an Authorized Improvement from funds then available in the appropriate subaccount of the Operating Account held by the City.

Section 4.03. Payments for Authorized Improvements Upon the Issuance of PID Bonds.

(a) As more particularly described in Section 5.01 hereof, upon receipt of a Bond Issuance Request, the City will consider the adoption of a resolution consenting to the issuance of PID Bonds to reimburse the Managing Developer for Actual Costs of those Authorized Improvements that are complete at the time of bond issue less any amounts already reimbursed to Managing Developer pursuant to an Acquisition and Reimbursement Agreement.

(b) The proceeds from the issuance of the PID Bonds remaining after payment of amounts under Section 4.02 of this Agreement (if applicable) will be held by the Trustee in various segregated accounts under the Project Fund established pursuant to an Indenture. Those sums held in the various segregated accounts will be advanced to the Managing Developer by the Trustee to fund the Actual Costs (as more particularly specified herein and in a Service and Assessment Plan) upon receipt of a completed Certification for Payment in the form as attached hereto in **Exhibit "F-2"**. At least thirty (30) calendar days prior to the time of the closing of a series of PID Bonds, the Managing Developer may submit a Closing Disbursement Request substantially in the form attached hereto in **Exhibit "F-1"** executed by the Construction Manager and the Project Engineer to the City Construction Representative to be reimbursed for those Managing Developer Expended Funds accrued to date of such Closing Disbursement Request and not previously reimbursed. The City Construction Representative shall conduct a review to verify the Managing Developer Expended Funds specified in such Closing Disbursement Request. Prior to disbursement of proceeds, the City Construction Representative will sign the Closing Disbursement Request and deliver said Closing Disbursement Request to the Trustee. At the closing of a series of PID Bonds, the Managing Developer shall be reimbursed an amount equal to the applicable Managing Developer Expended Funds in accordance with the procedures set forth in Section 4.03.

(c) Any Authorized Improvements that have not been (i) reimbursed at the Closing of the PID Bonds, (ii) completed by Managing Developer, or (iii) accepted by the Applicable Entity by the time the PID Bonds are issued, will be payable periodically as construction progresses. The procedures for such progress payments are contained in this Section 4.03 and the Indenture. Such

payments shall be made by the Trustee no more frequently than monthly and within five (5) business days of the Trustee's receipt of the completed Certification for Payment from the Construction Manager. If the City Construction Representative disapproves any Certification for Payment, the City shall provide a written explanation of the reasons for such disapproval so that if the Certification for Payment is revised in accordance with the City Construction Representative's comments, the Certification for Payment can be submitted to the Trustee for payment.

(d) The general process for funding of Authorized Improvements from funds on deposit in a Project Fund is as follows:

(1) the Managing Developer shall deliver to the City's Construction Representative and the City Engineer the following:

(i) a Certification for Payment substantially in the form attached hereto as Exhibit "F-2" executed by the Construction Manager and the Project Engineer evidencing the Actual Costs;

(ii) evidence of the acceptance by the Applicable Entity of those Authorized Improvements to be funded by the respective series of PID Bonds and the conveyance to the Applicable Entity (for Completed Authorized Improvements only); and

(iii) waivers of liens for the work on the applicable Authorized Improvements through the previous Certification for Payment, receipts for payment and verification in form acceptable that any subcontractors have been paid.

(2) After the Certification for Payment is submitted to the City Construction Representative, the City shall conduct a review to confirm those Authorized Improvements to be funded by proceeds of a series of PID Bonds were constructed in accordance with the plans therefor (for Completed Authorized Improvements only) and the City Construction Representative will verify the Actual Costs of Authorized Improvements specified in such Certification for Payment. The City Construction Representative agrees to conduct such review and cost verification in an expeditious manner after the Certification for Payment is submitted to the City, and the Managing Developer agrees to cooperate with the City Construction Representative in conducting each such review and to provide the City Construction Representative with such additional information and documentation as is reasonably necessary for the City Construction Representative to conclude each such review. Upon confirmation by the City Construction Representative that Authorized Improvements to be funded by the PID Bonds have been constructed in accordance with the plans therefor and this Agreement (for Completed Authorized Improvements only), verification and approval by the City Construction Representative of the Actual Costs of those Authorized Improvements, the City shall within thirty (30) calendar days after receipt of the applicable Certification for Payment accept those Authorized Improvements not previously accepted by the City Construction Representative, shall sign the Certification for Payment and forward the executed Certification for Payment to the Trustee for payment.

(e) In addition to the submitted items required in 4.02(d) above, in order to obtain the final progress payment for an Authorized Improvement funded by a series of PID Bonds pursuant to this Section 4.03, the Managing Developer shall have provided to the City an assignment of the warranties and guaranties, if applicable, and a two-year maintenance bond for such Authorized Improvement.

Section 4.04. Subordinate Cash Flow Reimbursements; Additional Bonds

(a) If the aggregate proceeds of PID Bonds are not sufficient to reimburse Managing Developer for the unreimbursed Actual Costs eligible to be paid from Special Assessment Revenues, any Actual Costs of the Authorized Improvements not paid or reimbursed from the proceeds of the PID Bonds may be paid or reimbursed pursuant to Section 4.03 hereof on a cash-flow basis for any Authorized Improvement that has been completed and assigned or conveyed to the City after the issuance of PID Bonds. Any such cash-flow reimbursement to the Managing Developer shall be subordinate to the security for, and the payment of debt service on, the PID Bonds.

(b) Upon the written request of the Managing Developer, and in the sole discretion of the City, Additional Bonds may be issued to pay or reimburse the Managing Developer for any Actual Costs of the Authorized Improvements not paid or reimbursed from the proceeds of PID Bonds or cash-flow reimbursements described herein. Any such Additional Bonds must comply with this Agreement and the City's PID Policy in effect at the time of issuance of any such Additional Bonds. In the sole discretion of the City, any series of Additional Bonds may be issued either as subordinate lien bonds or on parity with the PID Bonds.

(c) If the PID Bonds and any Additional Bonds, if approved by the City, are sufficient to fully reimburse Managing Developer for the unreimbursed Actual Costs, then Managing Developer's right under the Acquisition and Reimbursement Agreement to receive any portion of the Special Assessment Revenues for such purposes shall automatically terminate.

Section 4.05. Assignment of Right to Payment of Unreimbursed Costs.

Managing Developer's right, title and interest into the payments of unreimbursed Actual Costs shall be the sole and exclusive property of Managing Developer (or its Transferee) and no other third party shall have any claim or right to such funds unless Managing Developer transfers its rights to its unreimbursed Actual Costs to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Managing Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with notice to) the City, all or any portion of Managing Developer's right, title, or interest under this Agreement to receive payment of its unreimbursed Actual Costs, including either PID Bond proceeds or Special Assessment Revenues, (a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"); provided, however, that no such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without the prior written approval of the City Council if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance would result in the payments hereunder being pledged to the payment of debt service on public securities issued by any other state of the United States or political subdivision thereof. Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfer provided by the Managing Developer without any obligation to investigate or confirm the Transfer. A Transferee shall be responsible for all continuing disclosure requirements and obligations as agreed to by the Managing Developer and the City in the Disclosure Agreement of Managing Developer.

**ARTICLE V.
PID BONDS**

Section 5.01. PID Bond Issuance. Subject to the satisfaction of conditions set forth in this Article V, the City may issue PID Bonds solely for the purposes of acquiring or constructing Authorized Improvements. The Managing Developer may request issuance of PID Bonds by filing with the City a list of the Authorized Improvements to be funded with the PID Bonds and the estimated costs of such Authorized Improvements. The issuance of PID Bonds is 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 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 Actual Costs 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 special 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 adoption of a Service and Assessment Plan and an Assessment Ordinance levying Special Assessments on all or any portion of the Property benefitted by such Authorized Improvements in amounts sufficient to pay all costs related to such PID.

(e) The City has formed and utilized its own financing team including, but not limited to, bond counsel, Financial Advisor, PID Administrator, and underwriters related to the issuance of PID Bonds and bond financing proceedings.

(f) The City has chosen and utilized its own continuing disclosure consultant and arbitrage rebate consultant, if applicable or required. Any and all costs incurred by these activities will be included in City administration costs recouped from Special Assessments. The continuing disclosure will be divided into City disclosure and Managing Developer disclosure, and neither Party will be responsible or liable for the other Party's disclosure, but the City's disclosures professional will be used for both disclosures.

(g) The aggregate principal amount of PID Bonds issued and to be issued shall not exceed \$60,000,000.

(h) Each series of PID Bonds shall be in an amount estimated to be sufficient to fund the Authorized Improvements or portions thereof for which such PID Bonds are being issued.

(i) Delivery by the Managing Developer to the City of a certification or other evidence from an independent appraiser acceptable to the City confirming that the special benefits conferred

on the properties being assessed for the Authorized Improvements increase the value of the property by an amount at least equal to the amount assessed against such property.

(j) 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.

(k) The Managing Developer is current on all taxes, assessments, fees and obligations to the City including without limitation payment of Special Assessments.

(l) The Managing Developer is not in Default under this Agreement or, with respect to the Property, any other agreement to which Managing Developer and the City are parties.

(m) 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.

(n) The PID Administrator has certified that the specified portions of the costs of the Authorized Improvements to be paid from the proceeds of the PID Bonds are eligible to be paid with the proceeds of such PID Bonds.

(o) The Authorized Improvements to be financed by the PID Bonds have been or will be constructed according to the City's required standards for similar developments including without limitation any Applicable Regulations.

(p) The City has determined that the amount of proposed Special Assessments and the structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the project costs to be financed and the degree of development activity within the PID, and that there is sufficient security for the PID Bonds to be creditworthy.

(q) Unless otherwise approved by City Council at the time of issuance of a series of PID Bonds, the maturity for a series of PID Bonds shall be 35 years.

(r) The final maturity for any PID Bonds shall be not later than 45 years from the Effective Date.

(s) The City has determined that the PID Bonds meet all regulatory and legal requirements applicable to the issuance of the PID Bonds.

(t) If the applicable portion of Authorized Improvements has not already been constructed and to the extent proceeds from a series of PID Bond are insufficient to fund such Actual Costs, Managing Developer shall, at the time of closing the PID Bonds, provide a completion guarantee or other similar type of credit support in the amount of the difference between the Actual Costs and the PID Bond Proceeds available to fund such Actual Costs related to the applicable Authorized Improvement, or Segment thereof (without limiting any other provision, in the event Managing Developer does not or cannot provide such funding, the City shall not be required to sell such PID Bonds, and Managing Developer shall reimburse the City for all expenses and liabilities incurred by the City in connection with the proposed issuance of the PID Bonds).

(u) 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.

(v) The Managing Developer agrees to provide periodic information and notices of material events regarding the Managing Developer and the Managing Developer's development within the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any continuing disclosure agreements executed by the Managing Developer in connection with the issuance of PID Bonds.

(w) The City's Director of Public Works or their designee determines that the Actual Costs of the applicable Authorized Improvements are reasonable.

(x) The Managing Developer is not in default under any Continuing Disclosure Agreement related to an issuance of PID Bonds to which it is a party.

(y) With respect to the issuance of a series of bonds for the purpose of refunding any outstanding PID Bonds, the amount of assessments necessary to pay the principal and interest on such refunding bonds shall not exceed the amount of the outstanding Special Assessments that were levied to secure the PID Bonds that are being refunded thereby. [Alternative: Bonds issued for the purpose of refunding any outstanding PID Bonds shall be issued in a principal amount less than or equal to the outstanding Special Assessments levied as security for the PID Bonds being refunded thereby.]

(z) The aggregate Tax Equivalent Assessment Rate of Special Assessments (including the Annual Installment) plus all ad valorem taxes levied by all political subdivisions within the District shall be \$3.10 per \$100.00 taxable assessed valuation. Notwithstanding the foregoing, (i) Managing Developer may voluntarily elect to have the Tax Equivalent Assessment Rate of Special Assessments be less than \$3.10 and this shall not require approval by City Council; and (ii) the Tax Equivalent Assessment Rate of Special Assessments may exceed \$3.10 per \$100.00 taxable assessed valuation if approved by the City Council.

(aa) Managing Developer has completed and the City has accepted the Authorized Improvements, or Segment thereof, for any previous phase of the Property.

(bb) If the value to lien ratio is less than 2:1 for PID Bonds, the amount of funds below the 2:1 value-to-lien ratio shall be "restricted" from access by the Managing Developer until such a time as the value of the Property reaches the 2:1 ratio or a City-determined benchmark for completion is achieved, such as a threshold number of certificates of occupancy.

(cc) The Managing Developer and the City shall have entered into an Acquisition and Reimbursement Agreement that provides for the Managing Developer's construction of certain Authorized Improvements, or Segments thereof, and the City's reimbursement to the Managing Developer of certain Actual Costs.

(dd) Prior to the City's issuance of the first certificate of occupancy for a single-family lot within Improvement Area #1, the Managing Developer shall pay the City a fee in an amount equal to \$3,500 for each single-family residential lot estimated to be constructed on Assessed Property within Improvement Area #1 (the "IA#1 Community Benefit Fee"). It is acknowledged that Improvement Area #1 is expected to have 280 single-family lots which will result in the IA#1 Community Benefit Fee of \$980,000. It is further acknowledged and agreed to by the Parties that the timing for payment of the IA#1 Community Benefit Fee is expected to be immediately prior (e.g. within one (1) to five (5) business days') to the date on which the City anticipates it will issue the first certificate of occupancy for a single-family lot within Improvement Area #1.

As areas are developed within the PID, the Managing Developer will also pay a Community Benefit Fee for each Future Improvement Area as such Future Improvement Area is developed over time in accordance with the same (1) per lot fee \$3,500 (2) timing for payment and (3) process as set forth above for Improvement Area #1.

Notwithstanding anything to the contrary, the Parties agree that the Community Benefit Fee shall be a one-time fee for Assessed Property of the applicable Improvement Area within the PID and shall not be increased or decreased as a result in a change to the number of single-family residential lots as set forth in a final plat or replat for such Improvement Area. All Community Benefit Fees received by the City shall be accounted for on the City's books and records separate and apart from all other funds of the City and used only for real property or tangible personal property for public improvements or facilities within or benefitting the PID. The Parties hereby agree that the City will be under no obligation to issue a certificate of occupancy for a single-family residential lot within a particular Improvement Area until payment by the Managing Developer of the Community Benefit Fee for such Improvement Area as described herein.

Section 5.02. Disclosure Information.

Prior to the issuance of PID Bonds by the City, the Managing Developer agrees to provide all relevant information, including financial information, that is reasonably necessary in order to provide potential bond investors with a true and accurate offering document for any PID Bonds. The Managing Developer agrees, represents, and warrants that any information provided by the Managing Developer for inclusion in a disclosure document for an issue of PID Bonds will not, to the Managing 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 the Managing Developer further agrees that it will provide a certification to such effect as of the date of the closing of any PID Bonds.

Section 5.03 Qualified Tax-Exempt Status.

(a) Generally. In any calendar year in which PID Bonds are issued, the Managing Developer agrees to pay the City its actual additional costs (“Additional Costs”) the City may incur in the issuance of its own public securities or obligations on its own taxing power of municipal revenues (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 Managing Developer and any deficiencies in the estimated Additional Costs paid to the City by the Managing Developer shall be remitted to the City by the Managing Developer.).

(b) Issuance of PID Bonds prior to City Obligations. In the event the City issues PID Bonds prior to the issuance of City Obligations, the City, with assistance from its 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 the Managing Developer in an amount less than or equal to the Estimated Costs. The Managing 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 the Managing Developer has paid the invoice of Estimated Costs related to the PID Bonds then being issued.

(c) 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 the Managing 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 the Managing Developer the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City’s notice to the Managing Developer required under this paragraph. If the Additional Costs are more than the Estimated Costs, the Managing 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 the Managing 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 Managing Developer shall not be paid any reimbursement amounts under any PID reimbursement agreement related to the Property until such payment of Additional Costs is made in full.

(d) 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 the Managing Developer: (i) in an amount less than or equal to the Estimated Costs, and (ii) that includes the pricing date for such City Obligations. The Managing Developer, in turn, shall remunerate to the City the amount shown on said invoice at least 15 days prior to the pricing date indicated on the invoice. If the Managing 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 the Managing Developer of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to the Managing Developer the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice to the Managing Developer. If the Additional Costs are more than the Estimated Costs, the Managing 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 the Managing Developer does not pay to the City the difference between the Additional Costs and the Estimated Costs as required under this paragraph, then the Managing Developer shall not be paid any reimbursement amounts under any PID reimbursement agreement related to the Property until such payment of Additional Costs is made in full.

(e) To the extent any Managing Developer(s) or property owner(s) (including the Managing Developer, as applicable) has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by a developer or property owner (including the Managing 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 the Managing Developer, as applicable) as necessary so as to put all developers and property owners (including the Managing 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.

(f) The City shall charge Additional Costs attributable to any other developer or property owner on whose behalf the City has issued debt in the same manner as described in this Section, and the Managing Developer shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of the Managing Developer's portion has already been paid to the City under this provision, then such excess of Additional Costs shall be reimbursed to the Managing Developer. The portion owed by the Managing Developer shall be determined by dividing the total proceeds from any debt issued on behalf of the Managing Developer in such calendar year by the total proceeds from any debt issued by the City pursuant to the PID Act for the benefit of all developers (including the Managing Developer) in such calendar year.

Section 5.03. Tax Certificate. If in connection with the issuance of PID Bonds, the City is required to deliver a certificate as to tax exemption (a “**Tax Certificate**”) to satisfy requirements of the Internal Revenue Code, the Managing Developer agrees to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Managing 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 the Managing Developer providing such facts and estimates, true, correct and complete as of such date. To the extent that it exercises control or direction over the use or investment of the PID Bond proceeds (including, but not limited to, the use of the Authorized Improvements), the Managing 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 5.04. Special Obligations.

THE PID BONDS ARE SPECIAL OBLIGATIONS OF THE CITY SECURED SOLELY BY PLEDGED REVENUES (AS DEFINED IN AN INDENTURE) AND ANY OTHER FUNDS HELD UNDER AN INDENTURE, AS AND TO THE EXTENT PROVIDED IN SUCH INDENTURE. THE PID BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT SECURED EXCEPT AS PROVIDED IN AN INDENTURE. THE OWNERS OF PID BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND ANY OTHER FUNDS HELD UNDER AN INDENTURE, AS AND TO THE EXTENT PROVIDED IN SUCH INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF PID BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES. NONE OF THE CITY, NOR ANY OF ITS ELECTED OR APPOINTED OFFICIALS NOR ANY OF ITS OFFICERS, EMPLOYEES, CONSULTANTS OR REPRESENTATIVES SHALL INCUR ANY LIABILITY HEREUNDER TO THE MANAGING DEVELOPER OR ANY OTHER PARTY IN THEIR INDIVIDUAL CAPACITIES BY REASON OF THIS AGREEMENT OR THEIR ACTS OR OMISSIONS UNDER THIS AGREEMENT.

**ARTICLE VI.
ADDITIONAL PROVISIONS**

Section 6.01. Redemption Agreement. Concurrent with the levy of the Special Assessments, the Managing Developer will execute an agreement conveying its right to redeem, repurchase or reacquire those portions of the Property that are Assessed Properties and are designated and claimed for agricultural use as described in Section 23.41 of the Texas Tax Code to the Trustee (the “**Redemption Agreement**”) with the City.

Section 6.02. Home Buyer Disclosure. Managing Developer shall comply with the Home Buyer Disclosure Program attached hereto as **Exhibit “H”** and made a part hereof.

Section 6.03. Community Benefits.

The Managing Developer’s incentives to the Project shall include those benefits described in **Exhibit “I”**, attached hereto and incorporated herein for all purposes, including, but not limited to, payment to the City of a Community Benefit Fee.

Section 6.04 Parkland Fee In Lieu.

Per the Development Agreement and for the consideration listed below, the Parties have agreed that the Managing Developer shall pay a fee-in-lieu of parkland dedication in the amount of \$800.00 (EIGHT HUNDRED AND NO/100 DOLLARS) per single family lot platted on the Property:

- (a) the acreage of Parkland exceeds the Applicable Regulations;
- (b) the Owners Association shall maintain the Parkland (as defined in the Development Agreement);
- (c) in addition to paying the fee, upon the City’s request, the Managing Developer shall dedicate the Parkland to the City as public parkland at final plat or by separate deed; and
- (d) the other community benefits outlined in **Exhibit “I”**, attached hereto.

**ARTICLE VII.
REPRESENTATIONS AND WARRANTIES**

Section 7.01. Representations and Warranties of City. The City makes the following representations and warranties for the benefit of the Managing Developer:

- (a) The City is a home-rule municipal corporation of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has full legal right, power and authority under the PID Act and other applicable law (i) to enter into,

execute and deliver this Agreement, (ii) to adopt an Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

(b) The City will not unreasonably condition, delay, or withhold consideration, documentation, and approval of an Assessment Levy Request or Bond Issuance Request.

(c) The City will not unreasonably condition, delay, or withhold final acceptance of any of the Authorized Improvements.

(d) The City will maintain proper books of record and account for all costs incurred by the City that are associated with the administration of the PID, including those costs associated with continuing disclosure, compliance with federal tax law, agent fees, staff time, regulatory reporting and legal and financial reporting requirements. The City covenants that such accounting books will be maintained in accordance with generally accepted accounting practices and will be available for inspection by the Managing Developer or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.

Section 7.02. Representations and Warranties of Managing Developer. The Managing Developer makes the following representations, warranties and covenants for the benefit of the City:

(a) The Managing Developer represents and warrants that the Managing Developer is a limited liability company duly organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, has the authority to conduct business in Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Managing Developer represents and warrants that the Managing Developer has the power and authority to enter into this Agreement, 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 on behalf of the Managing Developer.

(c) The Managing Developer represents and warrants that this Agreement is a valid and enforceable obligation of the Managing Developer and is enforceable against the Managing Developer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) The Managing Developer covenants that once it commences construction of a Segment it will use its reasonable and diligent efforts to cause such Segment to be completed in accordance with this Agreement.

(e) The Managing Developer represents and warrants that (i) it will not request payment from the City for the acquisition of any Authorized Improvements that are not part of the Project or identified in the SAP, and (ii) it will diligently follow all procedures set forth in this Agreement.

(f) Until final acceptance by the City of each Authorized Improvement, or segment thereof, the Managing Developer covenants to maintain proper books of record and account for the Authorized Improvements and all costs related thereto. The Managing Developer covenants that such accounting books will be maintained in accordance with generally accepted accounting practices and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.

(g) The Managing Developer agrees to provide the information required pursuant to the Disclosure Agreement of Managing Developer in connection with the issuance of PID Bonds.

ARTICLE VIII. DEFAULT AND REMEDIES; INDEMNIFICATION

Section 8.01. Default and Remedies. A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

(b) Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement (“**Default**”), the Party claiming such Default shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No Default may be found to have occurred if performance has commenced, or the defaulting Party has made reasonable efforts to commence performance, to the reasonable satisfaction of the complaining Party, within thirty (30) calendar days of the receipt of such notice (or five (5) business days in the case of a monetary default) (“**Cure Period**”), subject, however, in the case of non-monetary default, to the terms and provisions of subsection (d) below.

(c) Upon a Default, the non-defaulting Party in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VIII or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a Default by the other Party. Notwithstanding any provision contained herein to the contrary, the Managing Developer shall not be required to construct any portion of the Authorized Improvements (or take any other action related to or in furtherance of same) while the City is in Default under this Agreement. Each party shall be responsible for payment of all costs of their respective attorney's fees.

(d) Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party (other than the payment of a monetary sum) is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending litigation, acts of God, pandemics, war, acts of civil disobedience, widespread pestilence, fire or

other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts (“**Force Majeure**”), the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing “force majeure” events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) calendar days after the claiming Party becomes aware of the same, unless prevented by such “force majeure” event from doing so, and if the claiming Party fails to so notify the other Party of the occurrence of a “force majeure” event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Article VIII.

Section 8.02. Indemnification and Hold Harmless by Managing Developer. THE MANAGING DEVELOPER HEREBY COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY CITY, AND THE PAST, PRESENT AND FUTURE OFFICERS, AGENTS, SERVANTS AND EMPLOYEES THEREOF, FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, “THIRD PARTY CLAIMS” OR “TPC”) AGAINST THE CITY, WHETHER THREATENED, ANTICIPATED, 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 MANAGING DEVELOPER, INCLUDING THE NEGLIGENCE OF THE MANAGING DEVELOPER'S EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIALMEN, AND AGENTS OCCURRING DURING THE CONSTRUCTION OF ANY PORTION OF THE AUTHORIZED IMPROVEMENTS; AND IT IS EXPRESSLY UNDERSTOOD THAT SUCH TPC SHALL, EXCEPT AS MODIFIED BELOW, INCLUDE TPC EVEN IF CAUSED BY THE CITY'S OWN CONCURRENT (BUT NOT GROSS) NEGLIGENCE. THE MANAGING DEVELOPER SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST TPC CAUSED BY THE CITY'S SOLE NEGLIGENCE. IF THE CITY INCURS TPC THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF THE MANAGING DEVELOPER AND THE CITY, THE MANAGING DEVELOPER 'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL TPC AND EXPENSES EQUIVALENT TO THE MANAGING DEVELOPER'S OWN PERCENTAGE OF RESPONSIBILITY. THE OBLIGATIONS UNDER THIS SECTION 8.02 SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT CONSISTENT WITH THE TERMS OF SECTIONS 9.04 AND 9.12 BELOW.

Section 8.03 Claims and Release.

(a) If the City notifies the Managing Developer of any Third Party Claim, the Managing Developer shall assume on behalf of the City and conduct with due diligence and in good faith the investigation and defense thereof and the response thereto with counsel selected by the Managing Developer but reasonably satisfactory to the City; provided, that City has the right to be represented by advisory counsel of their own selection and at their own expense; and provided further, that if any such Third Party Claim involves the Managing Developer and the City and the City has been advised in writing by counsel that there may be legal defenses available to it which are inconsistent with those available to the Managing Developer, then City has the right to select

Attn: Austin Evetts
9430 Research Blvd.
Echelon Bldg. IV. Suite 180
Austin, Texas 78759
Email: aevetts@greenbrickpartners.com

With a copy to: Meritage Homes of Texas, LLC
Attn: Brandon Hammann
8920 Business Park Dr.
Suite 350
Austin, Texas 78759
Email: brandon.hammann@meritagehomes.com

Metcalf Wolff Stuart & Williams, LLP
Attn: Talley J. Williams
221 W. 6th, Suite 1300
Austin, Texas 78701
Email: Twilliams@mwswtexas.com

Section 9.02. Name of District; Fee Arrangement and PID Administration. In addition to any costs paid by the Managing Developer pursuant to a professional services agreement, all fees of legal counsel related to the issuance of the applicable PID Bonds including fees for the preparation of customary bond documents and the obtaining of Attorney General approval for the PID Bonds, will be paid at closing from the proceeds of the PID Bonds. It is hereby acknowledged and agreed that fees for the City's Bond Counsel, Trustee, Trustee's Counsel, Financial Advisor, the Underwriter, and Underwriter's Counsel will be paid at the Issue Date of the PID Bonds in accordance with the budget attached as **Exhibit "G"** hereto. Pursuant to a separate agreement, the City may contract with a third party to serve as the PID Administrator and to administer the District after Closing. The administrative expenses shall be collected as part of and in the same manner as Annual Installments in the amounts set forth in the Service and Assessment Plan.

(b) The City may hire a PID Administrator of its choosing, and the PID Administrator's duties shall include general administration of the PID. So long as the Owners own, in the aggregate, more than 50% of the real property within the District, the City hereby agrees to include the following terms in the agreement for services entered into with the PID Administrator:

(1) The standard annual fee for the PID Administrator shall be calculated in accordance with the current Professional Services Agreement by and between the City and the PID Administrator. The Owners acknowledge that additional services in excess of what is anticipated as part of the District's annual administration may be billed separately and are not considered part of a PID Administrator's standard annual fee.

(2) The PID Administrator shall be responsible for preparation of the Service and Assessment Plan and any annual updates or amendments thereto. The PID Administrator shall be required by the City to provide final drafts and final copies of the Service and Assessment Plan,

including amendments and annual updates thereto, to the Managing Developer, at the same time such drafts or copies are provided to the City.

(c) The name of the District is hereby formally changed to Prairie Winds Public Improvement District.

Section 9.03. Assignment. Notwithstanding subsection 4.05 above, Managing Developer may assign in whole or part its rights and obligations under this Agreement to persons purchasing all of the Property or a part of the Property in accordance with Section 9.03 but not to an individual purchaser of a Lot within a recorded final plat. This Agreement may be assigned by Managing Developer without the consent of the City or any third-party entity that is not in default in the payment of taxes, assessments, fees, or any agreements with the City and that entity has the financial capacity to perform this Agreement and Managing Developer will be released from its obligations under this Agreement upon delivery of a notice of assignment to the City.

(b) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a sale or assignment to a Designated Successor or Assign unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.

(c) This Agreement shall be binding upon the Parties, their grantees, successors, assigns, or subsequent purchaser. In the event of an assignment of fee ownership, in whole or in part, of the Property by Managing Developer, only the grantees and assignees and then current owners of any portion of the Property so assigned shall be liable under this Agreement for any subsequent default occurring after the conveyance and affecting only the portion or portions of the Property so assigned. Any reference to Managing Developer or City shall be deemed to and will include the successors or assigns thereof, and all the covenants and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not. Each contract, deed or conveyance of any kind conveying all or a portion of the Property will conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not they are set out in full or by reference in said contract, deed or conveyance.

Section 9.04. Term of Agreement. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of the Maturity Date or the date on which the Reimbursement Obligation Balance is paid in full; *provided*, that unless extended by both parties pursuant to a written amendment to this Agreement, this Agreement shall automatically terminate three (3) years after the date of the execution of this Agreement, if a series of PID Bonds are not issued by such date. In the case of any termination of this Agreement and/or dissolution of the District, the obligation of any Party to pay any Actual Costs expended prior to the termination of this Agreement and/or dissolution of the District remaining unpaid shall survive such termination and/or dissolution.

Section 9.05. Construction of Certain Terms. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

- (a) Words importing a gender include any gender.
- (b) Words importing the singular include the plural and vice versa.
- (c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.
- (d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.
- (e) A reference to any Party includes, with respect to Managing Developer, its Designated Successors and Assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.
- (f) All references in this Agreement to designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to “Exhibits” are to the designated Exhibits to this Agreement.
- (g) The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder,” and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.
- (h) The words “including” and “includes,” and words of similar import, are deemed to be followed by the phrase “without limitation.”
- (i) Unless the context otherwise requires, a reference to the “Property,” the “Authorized Improvements,” or the “District” is deemed to be followed by the phrase “or a portion thereof.”

(j) Every “request,” “order,” “demand,” “direction,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” “approval,” “waiver,” “identification,” or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.

(k) The Parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Agreement.

Section 9.06. Table of Contents; Titles and Headings. The titles of the articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 9.07. Time. In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 9.08. Applicable Law and Venue. THIS AGREEMENT SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS AND THE OBLIGATIONS OF THE PARTIES HERETO ARE AND SHALL BE PERFORMABLE IN THE COUNTY WHEREIN THE PROPERTY IS LOCATED, AND IF LEGAL ACTION IS NECESSARY BY EITHER PARTY WITH RESPECT TO THE ENFORCEMENT OF ANY TERM OF THIS AGREEMENT, EXCLUSIVE VENUE FOR SAME SHALL LIE IN THE COURTS OF WILLIAMSON COUNTY, TEXAS. BY EXECUTING THIS AGREEMENT, EACH PARTY HERETO EXPRESSLY (a) CONSENTS AND SUBMITS TO PERSONAL JURISDICTION AND VENUE CONSISTENT WITH THE PREVIOUS SENTENCE, (b) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL CLAIMS AND DEFENSES THAT SUCH JURISDICTION AND VENUE ARE NOT PROPER OR CONVENIENT, AND (c) CONSENTS TO THE SERVICE OF PROCESS IN ANY MANNER AUTHORIZED BY TEXAS LAW.

Section 9.09. Amendments. This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties.

Section 9.10. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 9.11. Entire Agreement. This Agreement contains the entire agreement of the Parties.

Section 9.12. Severability; Waiver. If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 9.13. No Third-Party Beneficiaries.

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein shall give or be construed to give any person or entity, other than the parties hereto and their respective successors and permitted assigns, any legal or equitable rights hereunder.

Section 9.14. Reservation of Rights.

To the extent not inconsistent with this Agreement, each party reserves all rights, privileges, and immunities under applicable laws.

Section 9.15. No Joint Venture.

It is acknowledged and agreed by the parties hereto that the terms of this Agreement are not intended to and shall not be deemed to create a partnership of joint venture among parties. Neither party shall have any authority to act on behalf of the other party under any circumstances.

Section 9.16. Managing Developer as Independent Contractor. In performing under this Agreement, it is mutually understood that the Managing Developer is acting as an independent contractor, and not an agent of the City.

Section 9.17. Supplemental Agreements. Other agreements and details concerning the obligations of the Parties under and with respect to this Agreement are included in the Service and Assessment Plan, the Assessment Ordinance, the PID Bond Ordinance and the Indenture.

Section 9.18. City's Acceptance of Authorized Improvements. The City hereby agrees that it will not unreasonably withhold the final acceptance of any of the Authorized Improvements and will work with the Managing Developer in good faith to expedite review and acceptance of such Authorized Improvements

Section 9.19. Verifications of Statutory Representations and Covenants. The Managing 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 Owner 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 Managing 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 Owner 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 Managing 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 Managing 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 Managing 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.

Section 9.20. HB 1295 Compliance. (a) Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Managing Developer hereby represents that it is a publicly traded business entity or a wholly-owned subsidiary of a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Agreement.

(b) Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Consenting Party hereby represents that it is a publicly traded business entity or a wholly-owned subsidiary of a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Agreement.

Section 9.21. No Personal liability of Public Officials or the City.

To the extent permitted by State law, neither the City, any City agent or representative, nor any public official or employee shall be personally liable or responsible for any liability arising under or related to this Agreement.

Section 9.22. Exhibits. The following exhibits are attached to and incorporated into this Agreement for all purposes:

- Exhibit “A” - Definitions
- Exhibit “B” - Property Description for Development
- Exhibit “C” - Concept Plan

- Exhibit "C-1" - Improvement Areas
- Exhibit "D" - Authorized Improvements
- Exhibit "D-1" - HOA-Maintained Improvements
- Exhibit "D-2" - Non-PID Financed Improvements
- Exhibit "E" - Form of Acquisition and Reimbursement Agreement
- Exhibit "F-1" - Form of Closing Disbursement Request (Closing Disbursement)
- Exhibit "F-2" - Form of Certification for Payment
- Exhibit "G" - Budget
- Exhibit "H" - Home Buyer Disclosure Program
- Exhibit "H-1" - Notice of Obligation Pay Public Improvement District Assessments to the City of Hutto, Texas
- Exhibit "I" - Community Benefits

[Signature Pages to Follow]



CITY:

THE CITY OF HUTTO, TEXAS

By: *James Earp*
James Earp, City Manager

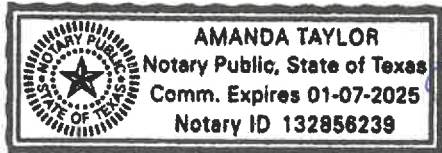
ATTEST:

By: *Laura Hallmark*
Name: Laura Hallmark
Title: City Secretary

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the 21st day of October, 2024 by James Earp, the City Manager of the City of Hutto, Texas, on behalf of said City.

(SEAL)



Amanda Taylor
Notary Public, State of Texas
Amanda Taylor
Name printed or typed
Commission Expires: 1-07-2025

MANAGING DEVELOPER:

GRBK Edgewood, LLC, a Texas
limited liability company

By: *Austin Evetts*
Name: AUSTIN EVETTS
Title: AUTHORIZED SIGNER

STATE OF TEXAS §
COUNTY OF Trawis §

This instrument was acknowledged before me on this 11 day of October, 2024, by AUSTIN EVETTS, AUTHORIZED SIGNER of GRBK Edgewood, LLC, a Texas limited liability company, on behalf of said entity.

(SEAL)

Tammy Bauer
Notary Public, State of Texas



It is hereby acknowledged that the Consenting Party is executing this Agreement solely due to the fact that they, together with the Managing Developer, jointly own the Property, and the Consenting Party has no rights, duties, or obligations under this Agreement.

CONSENTING PARTY:

Meritage Homes of Texas, LLC,
an Arizona limited liability company

By: Brandon Hammer
Name: Brandon Hammer
Title: Vice President of Land Development

STATE OF TEXAS §
COUNTY OF Travis §

This instrument was acknowledged before me on this 11 day of October, 2024, by Brandon Hammer VP of Land Development of Meritage Homes of Texas, LLC, an Arizona limited liability company, on behalf of said entity.

(SEAL)

[Signature]
Notary Public, State of Texas

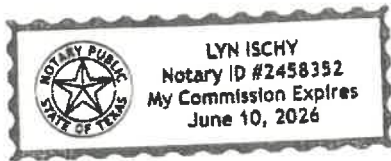


Exhibit "A"

DEFINITIONS

Unless the context requires otherwise, and in addition to the terms defined above, each of the following terms and phrases used in this Agreement has the meaning ascribed thereto below:

"Actual Cost(s)" means the Managing Developer's demonstrated costs for designing and constructing the Authorized Improvements. Cost(s) may include (a) the costs incurred by or on behalf of Managing Developer for the design, planning, acquisition, installation, construction and/or implementation of such Authorized Improvement, (b) the costs incurred in preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs incurred by or on behalf of the Managing Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services, (e) taxes (property and franchise) related to the Authorized Improvements that benefit the properties within the boundaries of the District, (f) all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvement, and (g) all related permitting, zoning and public approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses plus interest, if any, calculated from the respective dates of the expenditures until the date of reimbursement therefore.

"Acquisition and Reimbursement Agreement" means (whether one or more) an agreement that provides for construction and dedication of an Authorized Improvement, or Segment thereof, to the City prior to the Managing Developer being paid out of the proceeds of the respective PID Bonds, whereby all or a portion of the Actual Costs will be paid to Managing Developer initially from Special Assessment Revenues (and ultimately from PID Bonds) to reimburse the Managing Developer for Actual Costs paid by the Managing Developer that are eligible to be paid with proceeds of a series of PID Bonds. The form of Acquisition and Reimbursement Agreement shall be reasonably acceptable to both City and Managing Developer and substantially in accordance with the form attached hereto as **Exhibit "E"**.

"Additional Bonds" means any special assessment revenue bonds that are secured by Special Assessments levied on the Parcels and payable either on parity with, or subordinate to, any outstanding series of PID Bonds.

"Agreement" has the meaning given in the recitals to this Agreement.

"Annual Installments" shall mean the annual installment payment on a Special Assessment as calculated pursuant to each Service and Assessment Plan and approved by the City Council.

"Applicable Entity" means the entity, either the City or Jonah SUD, to which an Authorized Improvement will be dedicated upon completion.

“Applicable Regulations” means (i) City Code provisions, ordinances, design standards, uniform codes, and other policies duly adopted by the City as may be modified by this Agreement, and/or the Development Agreement; and (ii) any State or Federal law, regulation, rule, policy, or similar requirement applicable to the Project.

“Assessed Property” or **“Assessed Properties”** means property within the District that benefits from an Authorized Improvement and on which Special Assessments have been levied as shown on an Assessment Roll (as the same may be updated each year by an update to a Service and Assessment Plan) and which includes any and all Parcels within the District other than Non-Benefitted Property.

“Assessment Levy Request” means a written request made by Managing Developer to the City to levy Special Assessments for an applicable Improvement Area.

“Assessment Ordinance” means an ordinance adopted by the City Council approving a Service and Assessment Plan (or such amendments or supplements to the Service and Assessment Plan) and levying Special Assessments, as described in Article III of this Agreement.

“Association Regulations” has the meaning as set forth in Section 2.05.

“Attorney General” means the Texas Attorney General’s Office.

“Authorized Improvements” means the Authorized Improvements listed in the PID Act and includes the public improvements which benefit the Property and are described on Exhibit “D” hereto.

“Bond Issuance Request” means written request made by Managing Developer to the City to issue PID Bonds as evidenced by Managing Developer’s expenditure of necessary amounts for financial analysis, legal counsel, and other professional services and due diligence necessary to support the request.

“Certification for Payment” shall mean that certain certification substantially in the form attached hereto as Exhibit “F-2” hereto.

“City” has the meaning given in the recitals to this Agreement.

“City Construction Representative” means the employee or designee of the City carrying out the duties as described in this Agreement.

“City Council” means the duly elected governing body and council of the City.

“City Code” means the Ordinances of the City, together with all related policies, administrative rules and technical criteria manuals, as modified by the Development Agreement.

“City Engineer” means the civil engineer or firm of civil engineers selected by the City to perform the duties set forth herein.

“City Manager” means the city manager of the City.

“**Closing Disbursement Request**” shall mean that certain request substantially in the form attached hereto as Exhibit “F-1”.

“**Community Benefit Fee**” shall mean, individually, a fee in an amount equal to \$3,500 for each single-family residential lot estimated to be constructed on Assessed Property in a particular Improvement Area; collectively, the Community Benefit Fee shall mean all the Community Benefit Fees for the entire District.

“**Completed Authorized Improvements**” means any Authorized Improvement that has been 100% completed, dedicated and conveyed by the Managing Developer and accepted by the City.

“**Construction Manager**” means initially the Managing Developer, and thereafter subject to change in accordance with Section 2.04 of this Agreement.

“**County**” means Williamson County, Texas.

“**Cure Period**” has the meaning given in Section 8.01 of this Agreement.

“**Default**” has the meaning given in Section 8.01 of this Agreement.

“**Delinquent Collection Actual Costs**” means interest, penalties and expenses incurred or imposed with respect to any delinquent installment of a Special Assessment, or an Annual Installment, in accordance with the PID Act which includes the costs related to pursuing collection of such delinquent Special Assessment, or an Annual Installment, and the costs related to foreclosing the lien against the Assessed Property, including attorney’s fees to the extent permitted under Texas law.

“**Designated Successors and Assigns**” shall mean (i) an entity to which Managing Developer assigns (in writing) its rights and obligations contained in this Agreement pursuant to Section 9.03 related to all or a portion of the Property, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Managing Developer’s assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital, or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Managing Developer.

“**Development Agreement**” has the meaning given in the recitals to this Agreement.

“**Disclosure Agreement of Managing Developer**” means an agreement entered into by the Managing Developer and a dissemination agent in connection with the issuance of PID Bonds pursuant to which the Managing Developer agrees to provide certain information regarding the development of the District and the Authorized Improvements for the benefit of the owners of the PID Bonds.

“**District**” has the meaning given in the recitals to this Agreement.

“**End User**” means any purchaser of a fully developed and improved lot.

“**Effective Date**” has the meaning given in the recitals to this Agreement.

“**Financial Advisor**” means Hilltop Securities, Inc.

“**Force Majeure**” has the meaning as set forth in Section 8.01(d).

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

“**Future Improvement Area**” means the land which is more particularly described and/or depicted on Exhibit “C-1” attached hereto, which the Managing Developer may further subdivide as development progresses.

“**HOA-Maintained Improvements**” means the Authorized Improvements described in Exhibit “D-1” of this Agreement to be maintained by the Owners Association in accordance with this Agreement.

“**Home Buyer Disclosure Program**” means the disclosure program, administered by the PID Administrator as set forth in a document in the form of Exhibit “H” or another form agreed to by the City and the owner(s) that establishes a mechanism to disclose to each End User the terms and conditions under which their lot is burdened by the District.

“**IA#1 Community Benefit Fee**” shall have the meaning assigned in Section 5.01(dd) of this Agreement.

“**Improvement Area**” or “**Improvement Areas**” each have the meaning given in the Recitals to this Agreement.

“**Improvement Area #1**” means the land which is more particularly described and/or depicted on Exhibit “C-1” attached hereto.

“**Indenture**” or “**Trust Indenture**” means any Indenture of Trust entered into in connection with the issuance of a series of PID Bonds for an Improvement Area, between the City and the Trustee setting forth terms and conditions related to such PID Bonds.

“**Insurance Policy Documents**” means true and correct copies of the relevant policy of insurance including all declarations, definitions, schedules, endorsements, exclusions, exceptions, riders, waivers, jackets, modifications, notices, descriptions of deductibles and of self-insured retentions and all other instruments and other documents governing insurance coverage under such policy.

“**Issue Date**” means the date of the initial delivery of any of the PID Bonds.

“**Jonah SUD**” means Jonah Special Utility District.

“Jonah Water Improvements” means the water facilities and improvements that will be dedicated to Jonah SUD.

“Landowner Agreement” has the meaning given in Section 3.02 of this Agreement.

“Landowners” has the meaning given in Section 3.02 of this Agreement.

“Major Improvement” has the meaning given in the recitals to this Agreement.

“Managing Developer” has the meaning given in the recitals to this Agreement.

“Managing Developer Expended Funds” means the funds expended by the Managing Developer to date to pay Actual Costs of the Authorized Improvements that have not been previously reimbursed by the City.

“Maturity Date” means the date one year after the last Annual Installment is collected.

“Non-Benefitted Property” means Parcels within the boundaries of the District that accrue no special benefit from Authorized Improvements, as determined by the City Council. Such Parcels include alleys, private roads, and easements that create an exclusive use for a public utility provider and accrue no special benefit from the Authorized Improvements. Property identified as Non-Benefitted Property at the time the Special Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel shall not be assessed.

“Non-PID Financed Public Improvements” means the Authorized Improvements within the Project that are not financed through an issuance of PID Bonds or the levy of Special Assessments.

“Operating Account” has the meaning given in Section 4.02(d) of this Agreement.

“Original Owner” has the meaning given in the recitals to this Agreement.

“Owners” has the meaning given in the introductory paragraph to this Agreement.

“Owners Association” means a homeowners association or property owners association.

“Parcel” means a property identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the Official Public Records of Williamson County, or by any other means determined by the City Council.

“Party” means the Managing Developer or the City, as parties to this Agreement, and **“Parties”** means collectively, the Managing Developer and the City.

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

“PID Administrator” means an employee of the City and/or third-party designee of the City who shall have the responsibilities provided for herein, in an Indenture relating to the PID Bonds or in any other agreement approved by the City Council.

“PID Bond Ordinance” means and refers to an ordinance or ordinances of the City Council that authorize and approve the issuance and sale of a series of PID Bonds and provide for their security and payment, either under the terms of a PID Bond Ordinance or a trust indenture related to a series of PID Bonds.

“PID Bond Proceeds” means the proceeds from the issuance of a series of PID Bonds, less district formation expenses and costs of issuance, as applicable.

“PID Bonds” means each series of special assessment revenue bonds issued by the City to finance the Actual Costs of the Authorized Improvements, or Segments thereof, and any bonds issued to refund all or a portion of any outstanding PID Bonds.

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

“Project” has the meaning given in the recitals to this Agreement.

“Project Engineer” means the civil engineer or firm of civil engineers selected by the Managing Developer to perform the duties set forth herein, which is currently BGE, Inc.

“Project Fund” means the separate and unique fund established by the City under such name pursuant to the Indenture.

“Property” has the meaning given in the recitals to this Agreement.

“Redemption Agreement” shall have the meaning given in Section 6.02 of this Agreement.

“Segment” or **“Segments”** means the discrete portions of the Authorized Improvements identified as such.

“Service and Assessment Plan” or **“SAP”** means a Lidell Walker Public Improvement District Service and Assessment Plan for an Improvement Area (as each such plan is amended, supplemented or updated from time to time), to be initially adopted by the City Council in an Assessment Ordinance for an Improvement Area for the purpose of assessing allocated costs against property located within the boundaries of an Improvement Area having terms, provisions and findings approved and agreed to by the Managing Developer, as required by Article III of this Agreement. The Parties hereby acknowledge that each Service and Assessment Plan may be amended, supplemented or updated from time to time.

“Special Assessment” means the assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel created by such subdivision or reduction according to the provisions hereof and the PID Act.

“Special Assessment Revenues” means monies collected by or on behalf of the City from any one or more of the following: (i) a Special Assessment levied against an Assessed Property, or Annual Installment payment thereof, including any interest on such Special Assessment or

Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Actual Costs, and (iv) Foreclosure Proceeds.

“**State**” means the State of Texas.

“**Tax Certificate**” has the meaning given in Section 5.03 of this Agreement.

“**Tax Code**” means the Texas Tax Code.

“**Tax Equivalent Assessment Rate**” means the ad valorem tax equivalent of an Annual Installment due on a parcel at the time of an issuance of PID Bonds on \$100 of assessed valuation of the assessed parcel.

“**Third Party Claims**” or “**TPC**” has the meaning given in Section 8.02 of this Agreement.

“**Third-Party Contractor**” has the meaning given in Section 2.04 of this Agreement.

“**Transfer**” has the meaning given in Section 4.05 of this Agreement.

“**Transferee**” has the meaning given in Section 4.05 of this Agreement.

“**Trustee**” means the trustee under an Indenture, and any successor thereto permitted under an Indenture and any other Trustee under a future Indenture.

LEGAL DESCRIPTION OF THE LAND

FIELD NOTES FOR A 263.021 ACRE TRACT OF LAND OUT OF THE JOHN DYKES SURVEY, ABSTRACT NO. 186 AND THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 14.504 ACRE TRACT OF LAND AS CONVEYED TO WMV NORTH HUTTO, LLC BY GENERAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOCUMENT NUMBER 2021135166 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, ALL OF THE CALLED 76.317 ACRE TRACT OF LAND AS CONVEYED TO WMV NORTH HUTTO, LLC BY GENERAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOCUMENT NUMBER 2021135164 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, ALL OF THE CALLED 106.918 ACRE TRACT OF LAND AS CONVEYED TO WMV NORTH HUTTO, LLC BY GENERAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2021135163 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND ALL OF THE CALLED 65.281 ACRE TRACT OF LAND AS CONVEYED TO WMV NORTH HUTTO, LLC BY GENERAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOCUMENT NUMBER 2021135165 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 263.021 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found on the southerly right-of-way line of F.M. 1660 (variable width right-of-way) on the east line of the remaining portion of a called 163.89 acre tract of land as conveyed to Ricky D. Kruger, Brenda K. Sladek and Timothy R. Kruger by Executor's Deed recorded in Document Number 2016121073 of the Official Public Records of Williamson County, Texas, at the northwest corner of the above described WMV North Hutto 14.504 acre tract, for the northwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the southerly right-of-way line of said F.M. 1660 and the northerly line of said WMV North Hutto 14.504 acre tract, N 68°21'24" E a distance of 458.18 feet to a 1/2-inch iron rod found at the west corner of a called 4.64 acre tract of land described as Tract 1 as conveyed to Christopher J. Salisbury and Ashley R. Salisbury by Warranty Deed with Vendor's Lien recorded in Document Number 2012039498 of the Official Public Records of Williamson County, Texas, at the northeast corner of said WMV North Hutto 14.504 acre tract, for the north corner of the herein described tract;

THENCE, departing the southerly right-of-way line of said F.M. 1660 with the west line of said Salisbury 4.64 acre tract and the east line of said WMV North Hutto 14.504 acre tract, S 70°18'11" E a distance of 648.99 feet to a 1/2-inch iron rod found at the southwest corner of said Salisbury 4.64 acre tract, at the northwest corner of a called 1.86 acre tract of land described as Tract 2 as conveyed to Christopher J. Salisbury and Ashley R. Salisbury by said Warranty Deed with Vendor's Lien recorded in Document Number 2012039498 of the Official Public Records of Williamson County, Texas, at an easterly corner of said WMV North Hutto 14.504 acre tract, for an exterior corner of the herein described tract;

THENCE, with the west line of said Salisbury 1.86 acre tract and the east line of said WMV North Hutto 14.504 acre tract, S 23°07'16" E a distance of 346.30 feet to a 1/2-inch iron rod found on the northerly line of said WMV North Hutto 76.317 acre tract, at the southwest corner of said Salisbury 1.86 acre tract, and at the at the southeast corner of said WMV North Hutto 14.504 acre tract, for an interior corner of the herein described tract;

THENCE, with the north line of said WMV North Hutto 76.317 acre tract and the south line of said Salisbury 1.86 acre tract, N 68°20'40" E a distance of 226.35 feet to a 2-inch iron pipe found on the westerly right-of-way line of County Road 133, at the occupied northeast corner of said WMV North Hutto 76.317 acre tract, and at the southeast corner of said Salisbury 1.86 acre tract, for the most easterly northeast corner of the herein described tract;

THENCE, with the westerly right-of-way line of said County Road 133, generally as occupied by farming activities, S 21°04'43" E a distance of 588.64 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°25'30" E a distance of 1,716.65 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°42'11" E, a distance of 1,716.64 feet to a 60D nail found for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°27'07" E, a distance of 657.52 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at the southeast corner said WMV North Hutto 76.317 acre tract, and at the northeast corner of the remaining portion of a called 105.75 acre tract of land as conveyed to Charles Mervin Walker and Grace E. Walker by Warranty Deed recorded in Volume 484, Page 331 of the Deed Records of Williamson County, Texas, for the most easterly southeast corner of the herein described tract;

THENCE, departing the occupied westerly right-of-way line of said County Road 133 with the northerly line of said Walker remainder tract and the southerly line of said WMV North Hutto 76.317 acre tract, S 68°32'53" W a distance of 707.99 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the east line of said WMV North Hutto 106.918 acre tract, at the northwest corner of said Walker remainder tract and at the southwest corner of said WMV North Hutto 76.317 acre tract, for an interior corner of the herein described tract;

THENCE, with the west line of said Walker remainder tract and the east line of said WMV North Hutto 106.918 acre tract, S 21°37'44" E a distance of 1,660.41 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the north right-of-way line of County Road 132 (variable width right-of-way) at the southwest corner of said Walker remainder tract and at the southeast corner of said WMV North Hutto 106.918 acre tract, for the southeast corner of the herein described tract;

THENCE, with the north right-of-way line of said County Road 132 and the south line of said WMV North Hutto 106.918 acre tract, N 82°44'12" W a distance of 867.72 feet to a 1/2-inch iron rod found at the southwest corner of said WMV North Hutto 106.918 acre tract and at the southeast corner of said WMV North Hutto 65.281 acre tract, for an angle point of the herein described tract;

THENCE, with the north right-of-way line of said County Road 132 and the south line of said WMV North Hutto 65.281 acre tract, N 83°08'58" W a distance of 406.40 feet to a 1/2-inch iron rod with a cap stamped "TLS" found at the northeast corner of a fifteen (15') foot right-of-way tract as dedicated by plat of RIVER CROSSING SUBDIVISION PHASE THREE, a subdivision as recorded in Cabinet X, Slides 249-252 of the Plat Records of Williamson County, Texas, at an angle point of said WMV North Hutto 65.281 acre tract, for an angle point of the herein described tract;

THENCE, with the north right-of-way line of said County Road 132 and the south line of said WMV North Hutto 65.281 acre tract, N 82°26'38" W, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found

at the northeast corner of Lot 11, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 15.00 feet, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found at the common north corner of Lot 9 and Lot 10, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 233.17 feet, and continuing on for a total distance of 524.18 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the southwest corner of said WMV North Hutto 65.281 acre tract, and at the southeast corner of MUSTANG CREEK, PHASE 1, a subdivision as recorded in Document Number 2020111349 of the Official Public Records of Williamson County, Texas, for the southwest corner of the herein described tract, from which a 1/2-inch iron rod found on the north line of said RIVER CROSSING SUBDIVISION PHASE THREE subdivision bears N 82°26'38" W a distance of 653.49 feet;

THENCE, departing the north line of said RIVER CROSSING SUBDIVISION PHASE THREE with the west line of a called 107 Acre parent tract as described in Volume 309, Page 269 of the Deed Records of Williamson County, Texas, N21°39'45" W, a distance of 3,121.05 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the northwest corner of said WMV North Hutto 65.281 acre tract, at the southwest corner of a called 27.36 acre tract of land as conveyed to Howard R. Sladek and Brenda Sladek by Warranty Deed recorded in Volume 866, Page 661 of the Deed Records of Williamson County, Texas, for the northwest corner of the herein described tract, from which a 1/2-inch iron rod found bears N 21°39'45" W a distance of 250.62 feet and from which a 1-inch iron pipe found at the northwest corner of said 107-Acre parent tract bears N 21°39'45" W a distance of 2,346.24 feet;

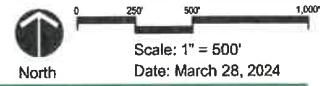
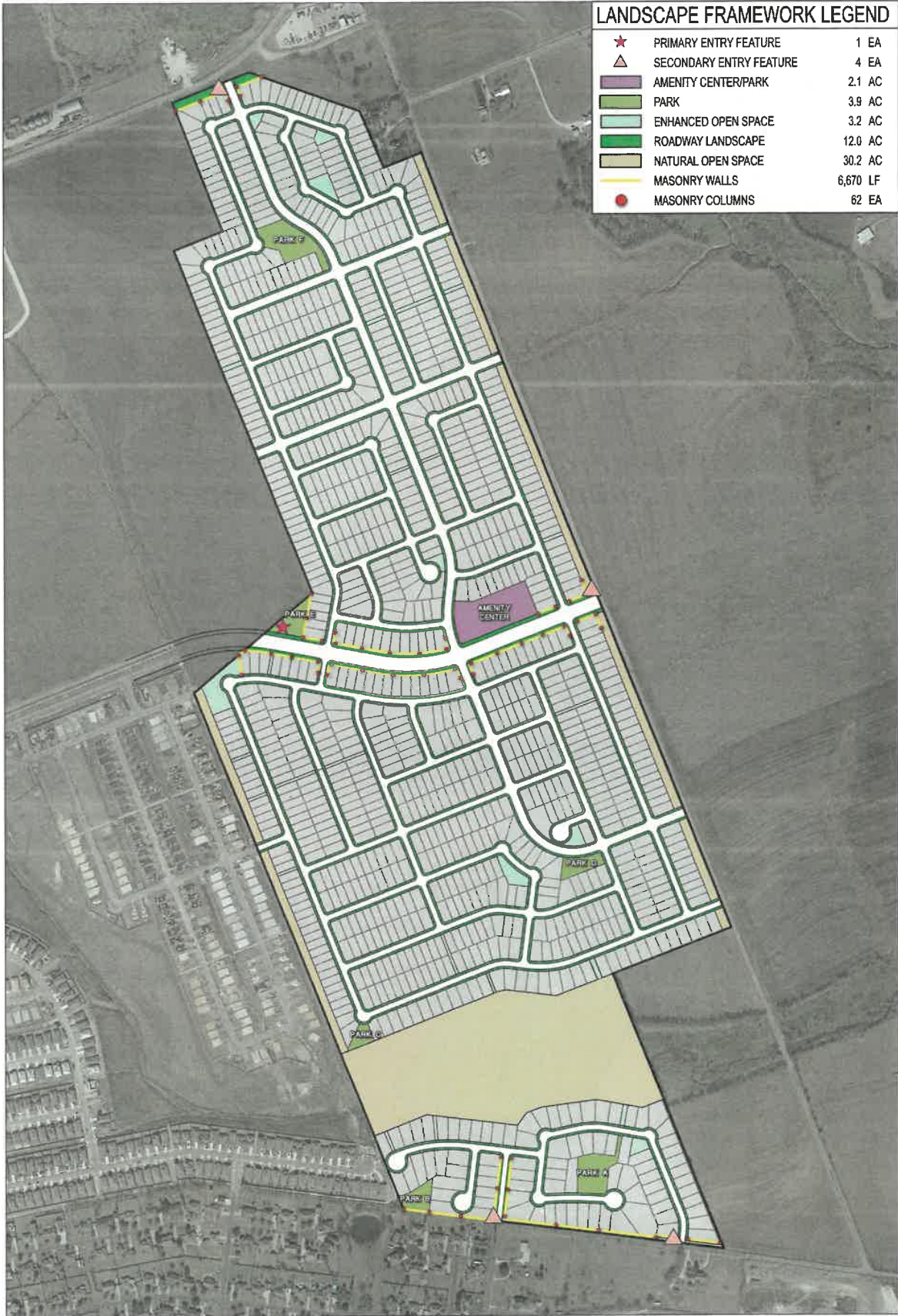
THENCE, with the south line of said Sladek 27.36 acre tract and the north line of said WMV North Hutto 65.281 acre tract, N 49°28'29" E a distance of 862.66 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the west line of said WMV North Hutto 106.918 acre tract, at the southeast corner of said Sladek 27.36 acre tract and at the northeast corner of said WMV North Hutto 65.218 acre tract, for an interior corner of the herein described tract;

THENCE, with the west line of said WMV North Hutto 106.918 acre tract, partially with the east line of said Sladek 27.36 acre tract and partially with the east line of said Sladek 14.00 acre tract, N 21°38'12" W a distance of 2,067.62 feet to a 1-inch iron rod found on the south line of said Kruger remainder tract, at the northeast corner of said Sladek 14.00 acre tract, and at the northwest corner of said WMV North Hutto 106.918 acre tract, for an exterior corner of the herein described tract;

THENCE, with the south line of said Kruger remainder tract and the north line of said WMV North Hutto 106.918 acre tract, N 68°25'37" E a distance of 294.31 feet to an axle found at the southeast corner of said Kruger remainder tract, at the southwest corner of said WMV North Hutto 14.504 acre tract, for an interior corner of the herein described tract, from which a 1-inch iron rod found at the northeast corner of said WMV North Hutto 106.918 acre tract, bears N 68°14'19" E a distance of 466.23 feet;

THENCE, with the east line of said Kruger remainder tract and the west line of said WMV North Hutto 14.504 acre tract, N 21°16'12" W a distance of 775.74 feet to the POINT OF BEGINNING and containing 263.021 acres of land, more or less.

Exhibit C - Concept Plan



LIDELL WALKER
IMPROVEMENT AREA EXHIBIT
10/2/2024

Exhibit C-1 - Improvement Areas



10/2/2024 10:00 AM

Exhibit "D"

AUTHORIZED IMPROVEMENTS

•**Note:** At the time of execution of this Agreement, the only Authorized Improvements (and estimated costs) that can be determined with certainty are the Improvement Area #1 Authorized Improvements which are listed below:

- *Roadway*
- *Drainage*
- *Water (including Jonah Water Improvements)*
- *Wastewater*
- *Soft Costs*

Estimated to equal 20% of hard costs, inclusive of 4% construction management fee.

Exhibit “D-1”

HOA-MAINTAINED IMPROVEMENTS

- Monument signage and other subdivision entry features.
- Private amenity center.
- Landscaping and irrigation (both in City ROW and in private/public park spaces).
- Park amenities such as benches, grills, picnic tables, or similar.
- Floodplain areas that are dedicated as public parkland.
- Masonry screen walls or screen fence, including rock columns.
- Metal view fence.
- Community mailboxes.

Exhibit “D-2”

NON-PID FINANCED IMPROVEMENTS

- Private amenity center.
- Gas improvements.
- Electric improvements.
- Telecomm improvements.
- Street lighting.
- Lot grading.

Exhibit E

PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT REIMBURSEMENT AGREEMENT (IMPROVEMENT AREA [#_])

This Prairie Winds Public Improvement District Reimbursement Agreement (Improvement Area [#_]) (this “Reimbursement Agreement”) is executed by and between the City of Hutto, Texas (“City”) and GRBK Edgewood, LLC, a Texas limited liability company (the “Managing Developer”) (each individually referred to as a “Party” and collectively as the “Parties”) effective as of _____, 202_.

RECITALS

WHEREAS, on July 6, 2023, the City Council of the City (the “City Council”) passed and approved Resolution No. R-2023-140 (the “Creation Resolution”) authorizing the creation of the Lidell Walker Public Improvement District (the “District”), covering approximately 263.02 acres of land described in the Creation Resolution (the “District Property”); and

WHEREAS, upon written request of the Managing Developer, and in accordance with the PID Financing Agreement (defined below), the City agreed to formally change the name of the District to “Prairie Winds Public Improvement District”; and

WHEREAS, pursuant to that certain Joint Ownership and Development Agreement entered into by the Managing Developer and Meritage Homes of Texas, LLC, a Texas limited liability company (the “Consenting Party”) on October 26, 2023 (the “JODA”), the Managing Developer and the Consenting Party designated Green Brick as the “Managing Developer”, as defined therein, and empowered Green Brick to act on behalf of itself and the Consenting Party with respect to this Reimbursement Agreement, with the consent of the Consenting Party with respect to any Major Decisions (defined in the JODA); and

WHEREAS, the purpose of the District is to finance certain improvements authorized by Chapter 372, Texas Local Government Code (as may be amended, the “PID Act”) that promote the interests of the City and confer a special benefit on the Assessed Property (defined in the Service and Assessment Plan (defined herein)) within the District; and

WHEREAS, the City Council approved that certain Prairie Winds Public Improvement District Financing Agreement (the “PID Financing Agreement”), on [_____, 2024], by and between the Managing Developer and the City, with Meritage Homes of Texas, LLC, consenting thereto; and

WHEREAS, the Managing Developer is currently developing the Authorized Improvements (defined below) that serve the District Property located within the boundaries of Improvement Area [#_], as shown on **Exhibit “A”** attached hereto (“Improvement Area [#_]”); and

WHEREAS, it is intended that the City Council shall pass and approve an assessment ordinance determining, among other things, the estimated costs of the Authorized Improvements allocable to Improvement Area [#_], including Improvement Area [#_]’s allocable share of any Authorized Improvements that provide a benefit to the entire District (collectively, the “Improvement Area [#_] Improvements”, which will be further described, including estimated costs of the various Authorized Improvements, in a Service and Assessment Plan) and levy

assessments against certain District Property within Improvement Area [#_] (the “Improvement Area [#_] Assessments”) in accordance with the Assessment Roll attached to a Service and Assessment Plan for Improvement Area [#_] (as the same may be amended or updated from time to time, the “Service and Assessment Plan”) within the District; and

WHEREAS, it is intended that PID Bonds (defined below) will be issued to finance a portion of the Actual Costs (defined below) of, among other things, the Improvement Area [#_] Improvements (the Actual Costs of the Improvement Area [#_] Improvements being the “Improvement Area [#_] Improvements Cost”); and

WHEREAS, it is anticipated that one or more series of PID Bonds will be issued pursuant to an Indenture of Trust (the “Indenture”) by and between the City and a legally qualified trustee selected by the City (the “Bond Trustee”); and

WHEREAS, it is anticipated that the City shall deposit the revenues received and collected by the City from the Improvement Area [#_] Assessments, including foreclosure sale proceeds, first into a segregated fund held by the City (the “Operating Account”), and then further transferred pursuant to the Indenture when executed; and

WHEREAS, the Parties intend that the portion of the Improvement Area [#_] Improvements Cost which is not financed by the proceeds of a series of PID Bonds shall be paid for with the hereinafter-defined Improvement Area [#_] Reimbursement Obligation pursuant to the terms of this Reimbursement Agreement, and as will be further described in the PID Financing Agreement; and

WHEREAS, following the issuance of a series of PID Bonds, the Pledged Revenues, as defined herein, will secure the PID Bonds, and then, on a subordinate basis, the Improvement Area [#_] Reimbursement Obligation; and

NOW THEREFORE, FOR VALUABLE CONSIDERATION THE RECEIPT AND ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. **Recitals.** The recitals to this Reimbursement Agreement are true and correct, and are incorporated herein as part of this Reimbursement Agreement for all purposes.
2. **Definitions.** If any of the following defined terms are given a different definition in the PID Financing Agreement and/or the Indenture, then that definition shall govern in the event of a conflict.
 - a. **Actual Costs** - shall mean the Managing Developer’s demonstrated costs for designing and constructing the Improvement Area [#_] Improvements. Actual Cost(s) may include (a) the costs incurred by or on behalf of Managing Developer for the design, planning, acquisition, installation, construction and/or implementation of such Improvement Area [#_] Improvement, (b) the costs incurred in preparing the construction plans for such Improvement Area [#_] Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Improvement Area [#_] Improvement, (d) the

costs incurred by or on behalf of the Managing Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services, (e) all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Improvement Area [#_] Improvement, and (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal and consulting fees, governmental fees and charges, insurance premiums, and miscellaneous expenses plus interest, if any, calculated from the latter of the date of this Reimbursement Agreement or the respective dates of the expenditures until the date of reimbursement therefore.

- b. Authorized Improvements – shall mean any authorized improvement authorized under the provisions of the PID Act.
 - c. PID Bonds – shall mean each series of special assessment revenue bonds issued by the City to finance the Actual Costs of the Improvement Area [#_] Improvements, and any bonds issued to refund all or a portion of any outstanding PID Bonds.
 - d. Pledged Revenues – shall mean the sum of (i) revenues from special assessments from property owners within Improvement Area [#_] less (a) administrative expenses and (b) delinquent collection costs; (ii) the moneys held in any of the funds held by the City pursuant to the Indenture pledged for payment of debt service; and (iii) any additional revenues that the City may pledge to the payment of PID Bonds.
3. City Deposit of Revenue. Until a series of PID Bonds are issued, the City shall cause the Pledged Revenues to be deposited into the Operating Account. After a series of PID Bonds are issued, the City shall cause the Pledged Revenues to be deposited pursuant to the Indenture once executed.
4. Payment of Improvement Area [#_] Improvements Cost. The City shall pay the Improvement Area [#_] Improvements Cost pursuant to executed and approved Certifications for Payment (defined below) in the manner provided for in the PID Financing Agreement from the Operating Account. Following the execution of the Indenture, the Bond Trustee shall pay the Improvement Area [#_] Improvements Cost pursuant to executed and approved Certifications for Payment in the manner provided for in the PID Financing Agreement and the Indenture for PID Bonds issued for Improvement Area [#_].
5. Improvement Area [#_] Reimbursement Obligation. Subject to the terms, conditions, and requirements contained herein, the City agrees to reimburse the Managing Developer, and the Managing Developer shall be entitled to receive from the City an amount not to exceed \$ _____ (the “Improvement Area [#_] Reimbursement Obligation”), in accordance with the terms of this Reimbursement Agreement, and subject to any further limitations in the PID Financing Agreement, until December 1,

20__ (the “Maturity Date”). It is hereby acknowledged that the City is not responsible hereunder for any amount of Improvement Area [#_] Improvements Cost in excess of the amount of the Improvement Area [#_] Assessments collected. The Improvement Area [#_] Reimbursement Obligation, including accrued and unpaid interest, shall be payable to the Managing Developer, solely from the Pledged Revenues deposited in the Operating Account or the improvement account of the project fund created by an Indenture (the “Improvement Account”). The Improvement Area [#_] Reimbursement Obligation is authorized by the PID Act, is hereby approved by the City, and represents the total allowable costs to be assessed against Improvement Area [#_] for the Improvement Area [#_] Improvements that are not paid through the issuance of PID Bonds. The interest rate paid to the Managing Developer on the Improvement Area [#_] Reimbursement Obligation shall be of three percent (3%), but in no event shall exceed, for a period of five years, as determined by the City Council of the City, five percent above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index approved by the City Council and reported in the month before the date the obligation was incurred. The interest rate is hereby approved by the City and complies with the PID Act. Interest will accrue at the interest rate stated above from the date that the Improvement Area [#_] Assessments are levied by the City. Following the issuance of PID Bonds, interest will accrue from the date of delivery of the PID Bonds at the interest rate of the PID Bonds, plus any additional interest permitted by the PID Act and the Service and Assessment Plan. Interest shall be calculated on the basis of a 360-day year, comprised of twelve 30-day months.

6. Obligated Payment Sources. The Improvement Area [#_] Reimbursement Obligation, plus accrued and unpaid interest as described above, is payable to the Managing Developer and secured under this Reimbursement Agreement solely as described herein. No other City funds, revenue, taxes, income, or property shall be used even if the Improvement Area [#_] Reimbursement Obligation is not paid in full at the Maturity Date. The Improvement Area [#_] Reimbursement Obligation is not a debt of the City, within the meaning of Article XI, Section 5, of the Constitution of the State of Texas. The City acknowledges and agrees that until the Improvement Area [#_] Reimbursement Obligation and accrued and unpaid interest is paid in full, the obligation of the City to use amounts on deposit in the Operating Account or the Improvement Account created by an Indenture to pay the Improvement Area [#_] Reimbursement Obligation and accrued and unpaid interest to the Managing Developer is absolute and unconditional and the City does not have, and will not assert, any defenses to such obligation.
7. City Collection Efforts. The City will use all reasonable efforts to receive and collect, or cause to be received and collected by the Williamson County Tax Assessor-Collector, the Improvement Area [#_] Assessments (including the foreclosure of liens resulting from the nonpayment of the Improvement Area [#_] Assessments or other charges due and owing under the Service and Assessment Plan) in the manner described in Section 3.03 of the PID Financing Agreement.
8. Process for Payment for the Improvement Area [#_] Reimbursement Obligation. The Managing Developer may submit to the City a written request for payment in the form and manner provided for in the PID Financing Agreement (a “Certification for

Payment”) of any funds then available in the Operating Account following February 1st of each year. Upon receipt of the Certification for Payment for the Improvement Area [#_] Improvements described in the Service and Assessment Plan with all required documentation attached, the City shall cause available funds within the appropriate account under the Indenture or the Operating Account to be disbursed to the Managing Developer within thirty (30) days. This process will continue until the Improvement Area [#_] Reimbursement Obligation and accrued and unpaid interest is paid in full, or until PID Bonds are issued in an amount sufficient to pay the unpaid Improvement Area [#_] Reimbursement Obligation in full, less any amounts required for reserves and any other costs or expenses associated with issuing the PID Bonds.

9. Termination. Once either (i) all payments paid to the Managing Developer under this Reimbursement Agreement are equal to the Improvement Area [#_] Reimbursement Obligation plus any accrued and unpaid interest, (ii) PID Bonds are issued to reimburse the Managing Developer for the Actual Costs of the Authorizing Improvements benefiting Improvement Area [#_], the proceeds of which equal the Improvement Area [#_] Reimbursement Obligation, less any amounts required for reserves and any other costs or expenses associated with issuing the PID Bonds, and less any payments made from the Bond Trustee pursuant to this Reimbursement Agreement, (iii) a combination of (i) and (ii) above that, collectively, is equal to the Improvement Area [#_] Reimbursement Obligation, or (iv) the Maturity Date is reached, this Reimbursement Agreement shall terminate; provided, however that if on the Maturity Date, any portion of the Improvement Area [#_] Reimbursement Obligation or accrued and unpaid interest remains unpaid, such Improvement Area [#_] Reimbursement Obligation shall be canceled and for all purposes of this Reimbursement Agreement shall be deemed to have been conclusively and irrevocably PAID IN FULL; provided further however that if any Improvement Area [#_] Assessments remain due and payable and are uncollected on the Maturity Date, such Improvement Area [#_] Assessment Revenues, when, as, and if collected after the Maturity Date, shall be applied, first, to any amounts due in connection with Improvement Area [#_] for any outstanding PID Bonds, and then paid to the Managing Developer and applied to the Improvement Area [#_] Reimbursement Obligation. Under no circumstances will either payments made under this Reimbursement Agreement or the PID Bonds exceed the Reimbursement Obligation.
10. Non-Recourse Obligation. The obligations of the City under this Reimbursement Agreement are non-recourse and payable only from Pledged Revenues and such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income, or property. Neither the City nor any of its elected or appointed officials nor any of its employees shall incur any liability hereunder to the Managing Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omission under this Reimbursement Agreement. Managing Developer acknowledges that no appropriation of City funds has been or will be made to provide payments due under this Reimbursement Agreement. Further, Managing Developer acknowledges that the only source of funds for payment under this Reimbursement Agreement is from the Operating Account or the Improvement Account created by an Indenture to pay the Improvement Area [#_] Reimbursement Obligation.

11. Mandatory Prepayments. Notwithstanding any provision of this Reimbursement Agreement to the contrary, the Parties hereby acknowledge and agree that to the extent a prepayment of an Improvement Area [#_] Assessment is due and owing pursuant to the provisions of a Service and Assessment Plan (including any requirement to provide notice to Managing Developer pursuant to the provisions thereof) in effect as of the date of this Reimbursement Agreement and remains unpaid for ninety (90) days after such notice, the City, upon providing written notice to the Managing Developer, may reduce the amount of the Improvement Area [#_] Reimbursement Obligation by a corresponding amount, provided, however, any reduction shall never result in a reduction in the amount of the Improvement Area [#_] Reimbursement Obligation to be less than zero.
12. No Waiver. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the City of any remedy the City may otherwise have outside of this Reimbursement Agreement against any person or entity involved in the design, construction, or installation of the Improvement Area [#_] Improvements.
13. Governing Law, Venue. This Reimbursement Agreement is being executed and delivered, and is intended to be performed in, the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement. In the event of a dispute involving this Reimbursement Agreement, venue for such dispute shall lie in any court of competent jurisdiction in Williamson County, Texas.
14. Notice. Any notice required or contemplated by this Reimbursement Agreement shall be deemed given at the addresses shown below: (i) one (1) business day after deposit with a reputable overnight courier service for overnight delivery such as FedEx or UPS; or (ii) one (1) business day after deposit with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section.

If to City: City of Hutto
 Attn: James Earp, City Manager
 500 West Live Oak Street
 Hutto, Texas 78634
 Email: james.earp@huttotx.gov

With a copy to: Bojorquez Law Firm, PC
 Attn: Dottie Polumbo, City Attorney
 11675 Jollyville Road, Suite 300
 Austin, Texas 78759
 Email: dottie@texasmunicipallawyers.com

If to
Managing Developer: GRBK Edgewood, LLC
 Attn: Austin Evetts

9430 Research Blvd.
Echelon Bldg. IV. Suite 180
Austin, Texas 78759
Email: aevetts@greenbrickpartners.com

With a copy to: Meritage Homes of Texas, LLC
Attn: Brandon Hammann
8920 Business Park Dr.
Suite 350
Austin, Texas 78759
Email: brandon.hammann@meritagehomes.com

With a copy to: Metcalfe Wolff Stuart & Williams, LLP
Attn: Talley J. Williams
221 W. 6th, Suite 1300
Austin, Texas 78701
Email: Twilliams@mwswtexas.com

15. Invalid Provisions; Severability. If any provision of this Reimbursement Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions, and the remainder of this Reimbursement Agreement shall remain in full force and effect. If any provision of this Reimbursement Agreement directly conflicts with the terms of the Indenture, the Indenture shall control.

16. Exclusive Rights of Managing Developer. Managing Developer's right, title and interest into the payments of Improvement Area [#_] Reimbursement Obligation (including any accrued and unpaid interest thereon), as described herein, shall be the sole and exclusive property of Managing Developer (or its Transferee (defined below)) and no other third party shall have any claim or right to such funds unless Managing Developer transfers its rights to its Improvement Area [#_] Reimbursement Obligation (including any accrued and unpaid interest thereon) to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Managing Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part, all or any portion of Managing Developer's right, title, or interest under this Reimbursement Agreement including, but not limited to, any right, title or interest of Managing Developer in and to payment of its Improvement Area [#_] Reimbursement Obligation plus any accrued and unpaid interest thereon (a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"). Provided, however, that no such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without the prior written approval of the City Council if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance would result in the payments hereunder being pledged to the payment of debt service on public securities issued by any other state of the United States or political subdivision thereof. Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including (A) the name and address of the Transferee and (B) a representation by the Managing Developer that the Transfer does not and will not result in the issuance of municipal securities by any other state of the United States or political subdivision thereof is provided to the City. The Managing Developer agrees that the City may rely

conclusively on any written notice of a Transfer provided by Managing Developer without any obligation to investigate or confirm the Transfer.

17. Assignment.

- a. Subject to subparagraph (b) below, Managing Developer may, in its sole and absolute discretion, assign this Reimbursement Agreement with respect to all or part of the Project from time to time to any party in connection with the sale of the Project or any portion thereof and in connection with a corresponding assignment of the rights and obligations in the PID Financing Agreement to any party, so long as the assignee has demonstrated to the City's satisfaction that the assignee has the financial, technical, and managerial capacity, the experience, and expertise to perform any duties or obligations so assigned and so long as the assigned rights and obligations are assumed without modifications to this Reimbursement Agreement or the PID Financing Agreement with respect to the Improvement Area [#_] Reimbursement Obligation. Managing Developer shall provide the City thirty (30) days prior written notice of any such assignment. Upon such assignment or partial assignment, Managing Developer shall be fully released from any and all obligations under this Reimbursement Agreement and shall have no further liability with respect to this Reimbursement Agreement for the part of the Project so assigned.
- b. Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a sale or assignment to a Designated Successor or Assign (as is or will be defined in the PID Financing Agreement) unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.
- c. Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a Transfer unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a Transfer.
- d. Provided, however, that no such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without the prior written approval of the City Council if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance would result in the payments hereunder being pledged to the payment of debt service on public securities issued by any other state of the United States or political subdivision thereof.
- e. Notwithstanding anything to the contrary contained herein, this Section 17 shall not apply to Transfers which shall be governed by Section 16 above.
- f. It is hereby acknowledged that the limitations on the ability to make a Transfer as described in Section 16 above shall also apply to the Designated Successors and Assigns.

18. Failure; Default; Remedies.

- a. If either Party fails to perform an obligation imposed on such Party by this Reimbursement Agreement (a “Failure”) and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a “Default.” Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional period (not to exceed 90 days) so long as the non-performing Party is diligently pursuing a cure.
- b. If the Managing Developer is in Default, the City’s sole and exclusive remedy shall be to seek specific performance of this Reimbursement Agreement. No Default by the Managing Developer, however, shall: (1) affect the obligations of the City to use the Pledged Revenues on deposit in the Operating Account or the Improvement Account as provided in Section 5 of this Reimbursement Agreement; or (2) entitle the City to terminate this Reimbursement Agreement. In addition to specific performance, the City shall be entitled to attorney’s fees, court costs, and other costs of the City to obtain specific performance.

If the City is in Default and fails to cure after being notified, the Managing Developer’s shall request non-binding mediation before (1) seeking a writ of mandamus to compel performance by the City; or (2) seeking specific performance of this Reimbursement Agreement.

19. Estoppel Certificate. Within thirty (30) days after the receipt of a written request by Managing Developer or any Transferee, the City will certify in a written instrument duly executed and acknowledged to any person, firm or corporation specified in such request as to (i) the validity and force and effect of this Reimbursement Agreement in accordance with its terms, (ii) modifications or amendments to this Reimbursement Agreement and the substance of such modification or amendments; (iii) the existence of any default to the best of the City’s knowledge; and (iv) such other factual matters that may be reasonably requested.
20. Verifications of Statutory Representations and Covenants. The Managing 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 Reimbursement Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Owner 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 Reimbursement Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Reimbursement Agreement, notwithstanding anything in this Reimbursement Agreement to the contrary.

- a. Not a Sanctioned Company. The Managing 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 Owner 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 Managing 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 Reimbursement 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 Managing 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 Reimbursement 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 Managing 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 Reimbursement Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

21. Form 1295.

- a. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Managing Developer hereby represents that it is a publicly traded business entity or a wholly-owned subsidiary of a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Reimbursement Agreement.
- b. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Consenting Party hereby represents that it is a publicly traded business entity or a wholly-owned subsidiary of a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Reimbursement Agreement.

22. Miscellaneous.

- a. The City does not waive or surrender any of its governmental powers, immunities, or rights except to the extent permitted by law and necessary to allow the Managing Developer to enforce its remedies under this Reimbursement Agreement.
- b. Nothing in this Reimbursement 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 Managing Developer any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in this Reimbursement Agreement shall be for the sole and exclusive benefit of the City and the Managing Developer.
- c. This Reimbursement Agreement may be amended only by written agreement of the Parties.
- d. This Reimbursement Agreement may be executed in counterparts, each of which shall be deemed an original.

[Signature pages to follow]

Exhibit "F-1"

FORM OF CLOSING DISBURSEMENT REQUEST

(Closing Disbursement Request – Prairie Winds)

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for GRBK Edgewood, LLC, a Texas limited liability company (the "**Managing Developer**") and requests payment to the Managing Developer from the applicable account of the Project Fund from _____, (the "**Trustee**") in the amount of \$ _____ to be transferred from the applicable account of the Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of the Prairie Winds Public Improvement District (the "**District**"), as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City of Hutto, Texas (the "**City**") and the Trustee dated as of _____, 20__ (the "**Indenture**") relating to the "[INSERT DESIGNATION OF BONDS]" (the "**PID Bonds**").

In connection with the above referenced payment, the Managing Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Managing Developer, is qualified to execute this Closing Disbursement Request on behalf of the Managing Developer and is knowledgeable as to the matters set forth herein.
2. This request for payment for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior Certification for Payment submitted to the City.
3. The amount listed for the below costs is a true and accurate representation of the Actual Costs associated with the establishment, administration and operation of the District at the time of the delivery of the PID Bonds, and such costs are in compliance with the Service and Assessment Plan.
4. The Managing Developer is in compliance with the terms and provisions of the PID Financing Agreement, the Indenture, the Service and Assessment Plan, and the Development Agreement.
5. All conditions set forth in the Indenture and the PID Financing Agreement for the payment hereby requested have been satisfied.
6. The Managing Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

[Information regarding amount and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

GRBK Edgewood, LLC
a Texas limited liability company

By: _____
Name: _____
Title: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from [Actual Costs of Issuance Account] [_____ Account of the Project Fund] upon delivery of the PID Bonds.

CITY OF HUTTO, TEXAS

By: _____
Name: _____
Title: _____

Date: _____

Exhibit “F-2”

FORM OF CERTIFICATION FOR PAYMENT

(Certification for Payment – Prairie Winds)

CERTIFICATION FOR PAYMENT FORM NO. _____

The undersigned _____ (the “**Construction Manager**”) requests payment from [the applicable account of the Project Fund] [the Operating Account] from the City of Hutto (the “**City**”) in the amount of \$ _____ for labor, design, materials, fees, and/or other general costs related to the acquisition or construction of certain Authorized Improvements providing a special benefit to property within the Prairie Winds Public Improvement District (the “**District**”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Prairie Winds Public Improvement District Financing and Reimbursement Agreement between the Managing Developer and the City (the “**PID Financing Agreement**”).

In connection with the above referenced payment, the Construction Manager represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Certification for Payment Form No. _____ on behalf of the Construction Manager, and is knowledgeable as to the matters set forth herein.
2. The work described in Attachment A has been completed in the percentages stated therein.
3. The Certification for Payment for the below referenced Authorized Improvements has not been the subject of any prior Certification for Payment submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
4. The amounts listed for Actual Costs of the Authorized Improvements, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Authorized Improvements, and such costs (i) are in compliance with the PID Financing Agreement, and (ii) are consistent with the Service and Assessment Plan.
5. The Construction Manager is in compliance with the terms and provisions of the PID Financing Agreement and the Service and Assessment Plan.
6. The Construction Manager has timely paid all ad valorem taxes and annual installments of Special Assessments it owes or an entity under common control with the Construction Manager owes, located in the District and has no outstanding delinquencies for such taxes and assessments.
7. The work with respect to the Authorized Improvements referenced below (or its Segment) has been completed, and the City has inspected [and accepted] such Authorized Improvements (or

its completed Segment). *[Include bracketed language if final progress payment for such Authorized Improvement]*

8. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or Segment thereof) has been completed and the City has accepted such Authorized Improvements (or Segment thereof). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or Segment thereof).

9. [Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.]*[Include bracketed language if final progress payment for such Authorized Improvement]*

10. Attached hereto as Attachment C are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.

11. Also attached hereto as Attachment D are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to the District.

Pursuant to the PID Financing Agreement, after receiving this Certification for Payment, the City has inspected [and accepted] the Completed Authorized Improvements and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations. *[Include bracketed language if final progress payment for such Authorized Improvement]*

(Signature pages follow)

I hereby declare that the above representations and warranties are true and correct.

GRBK Edgewood, LLC,
a Texas limited liability company, as
CONSTRUCTION MANAGER

By: _____
Name: _____
Title: _____

JOINDER OF PROJECT ENGINEER

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

By:

Name: _____

Title: _____

APPROVAL OF CERTIFICATION FOR PAYMENT

The City is in receipt of the attached Certification for Payment Form No. _____, acknowledges the Certification for Payment, acknowledges that the Authorized Improvements (or its Segment) covered by the certificate have been inspected by the City, and otherwise finds the Certification for Payment Form No. _____ to be in order. After reviewing the Certification for Payment Form, the City approves the Certification for Payment Form No. _____ and shall direct the Trustee to make payment from [the appropriate account of the Project Fund] [the Reimbursement Fund] to the Construction Manager or to any person designated by the Construction Manager.

CITY OF HUTTO, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT A TO CERTIFICATION FOR PAYMENT FORM NO. _____

<u>Segment</u>	<u>Description of Work Completed under this Certification for Payment</u>	<u>Actual Costs</u>
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ATTACHMENT B TO CERTIFICATION FOR PAYMENT FORM NO. _____

[Include Attachment B bracketed if final progress payment for such Authorized Improvement]

[bills paid affidavit and release of liens - attached]

ATTACHMENT C TO CERTIFICATION FOR PAYMENT FORM NO. ____

INVOICE LEDGER

Invoice Ledger								
Entity: GRBK Edgewood, LLC								
Project: Prairie Winds Public Improvement District								
Certification of Payment Form No.	Date	Vendor	Invoice #	Invoice Amount	Requested Amount	Approved Amount	Budget Sub-Category	Budget Description

[INVOICES AND/OR RECEIPTS - ATTACHED]

ATTACHMENT D TO CERTIFICATION FOR PAYMENT FORM NO. _____

[lender consents or approvals - attached]

Exhibit "G"

BUDGET

City Attorney	\$10,000 opinion fee per series of bonds
City's Financial Advisor	\$25,000 plus 2.00% of par value of each series of bonds
Bond Counsel	2.50% of par value of each series of bonds, minimum of \$50,000 per series
Underwriter	2.00% of par value of each series of bonds
Underwriter's Counsel	1.00% of par value of each series of bonds

Exhibit "H"

**PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA # ___ - LOT TYPE _____
HOMEBUYER DISCLOSURE**

HOME BUYER DISCLOSURE PROGRAM

1. A Builder¹ for an Assessed Property shall provide each residential homebuyer with the "Notice of Obligation to Pay Public Improvement District Assessment to the City of Hutto, Texas", the form of which is attached hereto as Exhibit "H-1".
2. A Builder for an Assessed Property shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the City upon receipt of written request by the City which sets forth the City's mailing address and other contact information.
3. A Builder for an Assessed Property shall prominently display signage provided by the Managing Developer or the PID Administrator in the Builder's model homes, if any, located within the Property.
4. If prepared and provided by the City and approved by Managing Developer (such approval not to be unreasonably withheld), a Builder for an Assessed Property shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. A Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers for an Assessed Property.
6. The Managing Developer must post signage along the main entry/exits located at the boundaries of the District that identifies the area as a public improvement district. All signage shall be clearly visible to all motorists entering and exiting the District.

¹ Builder" means a commercial builder who is in the business of constructing and/or selling residences to individual home buyers.

Exhibit "H-1" to Financing Agreement

PRAIRIE WINDS PID – LOT TYPE []: HOMEBUYER DISCLOSURE

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF HUTTO, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

**OUTSTANDING PRINCIPAL OF ASSESSMENT FOR AUTHORIZED
IMPROVEMENT: \$[] [INSERT ONLY IF ASSESSMENTS HAVE BEEN
LEVIED]**

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of Hutto, Texas, for the costs of a portion of Authorized Improvements (the "**Authorized Improvements**"), undertaken for the benefit of the property within the "Prairie Winds Public Improvement District" (the "**District**"), also known as "Prairie Winds", created under Subchapter A, Chapter 372, Local Government Code, as amended.

AN ASSESSMENT HAS BEEN OR MAY BE LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH MAY VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change**. The exact amount of the annual installments, including the annual installments thereof, will be approved each year by the City Council of the City of Hutto, Texas 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.

You may ask your mortgage company to include the Annual Installments in your monthly escrow payment.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate on the date specified below my signature.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

STATE OF TEXAS §

§

WILLIAMSON COUNTY §

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

STATE OF TEXAS §

§

WILLIAMSON COUNTY §

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

Exhibit I - Community Benefits

	City of Hutto PID Policy Requirements	Additional Benefits Resulting from PID
(1)	The City Council will prioritize approval of PID petitions for land in the City and/or Extraterritorial Jurisdiction of the City, ("ETJ") that provide for the following public benefits to a degree that is superior of the benefits typically generated by real estate development projects not involving PID financing.	<ul style="list-style-type: none"> • TheProject has been annexed into the City's corporate boundaries.
(2)	Improve environmental protection, storm water quality, and flood control benefits that meet or exceed what is required by applicable development regulations.	<ul style="list-style-type: none"> • The Developer will meet applicable development regulations for environmental protection, storm water quality and flood control. • Construction of an earthen channel which will serve to mitigate uncontrolled surface drainage reaching existing adjacent roadways, decreasing the risk of flooding.
(3)	Projects that provide enhanced benefits to improve the public roadway network in the City.	<ul style="list-style-type: none"> • Dedication of ROW and construction of Minor Arterial shown on the City's Mobility Master Plan. • • Provides connection CR 133 and the existing portion of Main Hippo. Provide safer routes to the Hutto ISD 9th grade campus and will reduce cut-through traffic in existing neighborhoods while reducing congestion. • Dedication of ROW on the south end of Project along CR 132 totaling approximately 2,000 linear feet to accommodate a future 4 lance arterial. • Dedication of ROW on CR 132 (matching dedication east of CR 133) and along 4,000 linear feet of CR 133 to accommodate a future divided 6 lane arterial.

Exhibit I - Community Benefits

(4)	Projects that create or enhance parks, hike and bike trails, recreation facilities, open space benefits, etc. that exceed what is required by applicable development regulations	<ul style="list-style-type: none"> 28 acres of parks and open space available for dedication to the City, at the City's option – in excess of the 25 acre minimum Developer will also pay the fee in lieu (\$800/lot)
(5)	Projects that provide enhanced water and wastewater infrastructure in the City.	<ul style="list-style-type: none"> Developer will upsize the Mustang Creek lift station, increasing capacity by an amount that is <u>double</u> the service requirements of the Project, providing extra wastewater capacity to the City in a fast-growing area. Developer will contribution in an amount sufficient to to design and construct a future 24" wastewater line along Mustang Creek that will flow wastewater east in the future when the City is ready.
(6)	Community Benefit Fee	<ul style="list-style-type: none"> Estimated Community Benefit Fee to be paid by Developer: \$4,338,000 (10% of gross bond amount) PID application was submitted in December 2021 when the Community Benefit Fee was \$2,000 per lot (\$2,186,000). Developer has agreed to pay Community Benefit Fee per the new PID Policy adopted in October 2022

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APPENDIX H

APPRAISAL OF IMPROVEMENT AREA #1

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AN APPRAISAL REPORT

OF

**PRAIRIE WINDS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA # 1**

**LOCATED ALONG THE SOUTH LINE OF MAIN HIPPO DRIVE, THE NORTH LINE OF F.M. 132, EAST
OF F.M. 1660, AND WEST OF F.M. 133, IN HUTTO, WILLIAMSON COUNTY, TEXAS 78634**

FOR

**MR. R.R. "TRIPP" DAVENPORT, III
UNDERWRITER
FMSBONDS, INC.
5 COWBOYS WAY, SUITE 300-25
FRISCO, TEXAS 75034**

BY

**BARLETTA & ASSOCIATES, INC.
1313 CAMPBELL ROAD, BUILDING C
HOUSTON, TEXAS 77055-6429**

B&A FILE NUMBER: C9000-01

AS OF

DATE OF APPRAISAL TRANSMITTAL:	DECEMBER 2, 2024
DATE OF SITE VISIT:	NOVEMBER 26, 2024
EFFECTIVE DATES OF VALUE:	DECEMBER 31, 2024 & MARCH 31, 2025

BARLETTA & ASSOCIATES, INC.

REAL ESTATE APPRAISERS • CONSULTANTS

December 2, 2024

Mr. R.R. "Tripp" Davenport, III
Underwriter
FMSbonds, Inc.
5 Cowboy Way, Suite 300-25
Frisco, Texas 75034

Phone: 877-899-2220

Email: tdavenport@fmsbonds.com

RE: An Appraisal Report of Improvement Area #1 ("IA #1") of the Prairie Winds Public Improvement District (the Prairie Winds PID), previously known as the Lidell Walker Public Improvement District, Improvement Area #1 consisting of 280 lots, comprised of 86 under-development lots in Phase 1; and 194 under-development lots in Phase 2; located along the south line of Main Hippo Drive, the north line of F.M. 132, east of F.M. 1660, and west of F.M. 133, in Hutto, Williamson County, Texas 78634.

**Client: FMSbonds, Inc.
B&A File No. C9000-01**

Dear Mr. Davenport:

At your request, we have personally visited and prepared an appraisal of the above-captioned subject property, gathered comparable market data, and conducted a study of the market area for the purpose of providing our opinion of the **"Upon Completion" Bulk Market Values** of the subject lots in compliance with FMSbonds, Inc.'s Appraisal Instructions, the Uniform Standards of Professional Appraisal Practice and the Appraisal Institute's Code of Professional Ethics. This appraisal also complies with applicable fair lending and anti-defamation laws including the Equal Credit Opportunity Act (ECOA), the Fair Housing Act (FHAct), the Civil Rights Act of 1866, as well as other federal, state or local laws that prohibit discrimination.

At the request of the client, the "As Is" Market Value of the under-development lots have not been valued herein.

It is our opinion that the **"Upon Completion" Bulk Market Values** of the fee simple interest in the subject lots, as of the indicated dates, are as follows:

Description	No. of Lots	Avg. Lot FF	Bulk Value	Effective Date
"Upon Completion" Bulk Market Value, Phase 1	86	60'	\$9,550,000	12/31/2024
"Upon Completion" Bulk Market Value, Phase 2	194	45' & 50'	\$15,990,000	3/31/2025

For Phase 1, the Bulk Market Value above is derived from a Sum of Retail Revenue of \$10,397,400, or \$120,900 per 60' lot.

For Phase 2, the Bulk Market Values above are derived from a Sum of Retail Revenue of \$12,883,500, or \$92,025 per 45' lot; and \$5,521,500, or \$102,250 per 50' lot. This equates to a gross sum of \$18,405,000, or \$94,871 per lot.

The estimated prospective **Marketing Period** and historic **Exposure Time** for the subject property at the above concluded value scenarios are estimated within 3 to 6 months, depending on property, based upon discussions with area market participants, and the marketing period for comparable properties that have recently sold.

The use of extraordinary assumptions or hypothetical conditions might have affected assignment results.

Extraordinary Assumptions:

1.) The subject subdivision appraised herein is under-development, with prospective completion dates. In this Appraisal Report, we have projected market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, we have projected the retail valuation of the individual subject lots, absorption period and holding costs based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from that which are expected on the anticipated dates of completion that are reflected in this report. Because actual future market conditions may deviate from that which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sales data that will be available on the prospective date of completion.

2.) The valuation of the subject improvements "Upon Completion" require valuation of the various subject improvements as of the prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, we have relied upon surveys, plats and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value estimate is subject to revision.

3.) This appraisal is subject to all under-development improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.

- 4.) This appraisal is subject to a final subdivision plat/s.
- 5.) This appraisal assumes that Meritage Homes and Trophy Homes, or comparable production builder/s, will build upon the under-development subject lots, detached single-family units with a projected price from \$320,000 to \$460,000.
- 6.) If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions: None

As referenced herein, **Market Value** is defined by FIRREA, as follows:

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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby 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.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

It has been a pleasure serving you. Please call if we may be of further assistance.

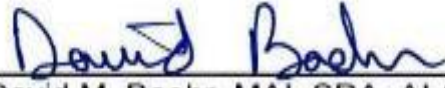
Sincerely,

Mr. R.R. "Tripp" Davenport
December 2, 2024
Page 4

BARLETTA & ASSOCIATES, INC.



Phillip F. Barletta, MAI, SRA
President
State Certified, TX-1320197-G



David M. Baehr, MAI, SRA, AI-GRS
State Certified, TX-1380372-G

CERTIFICATION

We certify, to the best of our knowledge and belief, the following:

USPAP Certifications

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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
4. We have provided no real estate services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this Appraisal Report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. David M. Baehr, MAI, SRA, AI-GRS made an unaccompanied visit to the subject site on November 26, 2024. Phillip F. Barletta, MAI, SRA did not inspect property, but is very familiar with the market area.
10. No one provided significant real property appraisal assistance to the signer of this appraisal report.
11. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
12. The appraisers have extensive experience in appraising subdivisions, subdivision lots, base master floor plans, master-planned residential subdivisions, multifamily properties and retail properties and are State General Certified; thus, they are well-qualified to appraise the subject property and fully satisfy the Competency Rule of the Uniform Standards of Professional Appraisal Practice.
13. Phillip F. Barletta, MAI, SRA and David M. Baehr, MAI, SRA, AI-GRS are State Certified General Real Estate Appraisers by the Texas Appraiser Licensing and Certification Board for the State of Texas.

AI Certifications

1. The reported analyses, opinions and conclusions were developed, and this report has also been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
2. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
3. As of the date of this report, Phillip F. Barletta, MAI, SRA and David M. Baehr, MAI, SRA, AI-GRS have completed the continuing education program for Designated Members of the Appraisal Institute.

To conclude, the appraisers hereby certify regulatory compliance, and after completing a detailed and thorough analysis of all the relevant market data, the concluded fee simple estate **“Upon Completion” Bulk Market Values**, as of the noted effective dates, are as follows:

Description	No. of Lots	Avg. Lot FF	Bulk Value	Effective Date
"Upon Completion" Bulk Market Value, Phase 1	86	60'	\$9,550,000	12/31/2024
"Upon Completion" Bulk Market Value, Phase 2	194	45' & 50'	\$15,990,000	3/31/2025

For Phase 1, the Bulk Market Value above is derived from a Sum of Retail Revenue of \$10,397,400, or \$120,900 per 60' lot.

For Phase 2, the Bulk Market Values above are derived from a Sum of Retail Revenue of \$12,883,500, or \$92,025 per 45' lot; and \$5,521,500, or \$102,250 per 50' lot. This equates to a gross sum of \$18,405,000, or \$94,871 per lot.

The estimated prospective **Marketing Period** and historic **Exposure Time** for the various assets at the above concluded “Upon Completion” Bulk Market Values are estimated within 3 to 6 months, based upon discussions with area builders, and the marketing period for comparable properties that have recently sold.

The use of extraordinary assumptions or hypothetical conditions might have affected assignment results.

Extraordinary Assumptions:

- 1.) The subject subdivision appraised herein is under-development, with prospective completion dates. In this Appraisal Report, we have projected market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, we have projected the retail valuation of the individual subject lots, absorption period and holding costs based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from that which are expected on the anticipated dates of completion that

are reflected in this report. Because actual future market conditions may deviate from that which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sales data that will be available on the prospective date of completion.

2.) The valuation of the subject improvements "Upon Completion" require valuation of the various subject improvements as of the prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, we have relied upon surveys, plats and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value estimate is subject to revision.

3.) This appraisal is subject to all under-development improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.

4.) This appraisal is subject to a final subdivision plat/s.

5.) This appraisal assumes that Meritage Homes and Trophy Homes, or comparable production builder/s, will build upon the under-development subject lots, detached single-family units with a projected price from \$320,000 to \$460,000.

6.) If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions: None

BARLETTA & ASSOCIATES, INC.



Phillip F. Barletta, MAI, SRA
President
State Certified, TX-1320197-G



David M. Baehr, MAI, SRA, AI-GRS
State Certified, TX-1380372-G

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following conditions:

1. This Appraisal Report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice, Standards Rule 2-2 (a). As such, this report does, in fact, include narrative discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analyses is included in this report. The appraisers are not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title consideration. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, lead contamination, or other potentially hazardous materials may affect the value of the property. The appraisers' value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans With Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.
18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are

connected) shall be disseminated to the public through advertising, public relations, new sales, or other media without prior written consent and approval of the appraisers.

19. Texas is a non-disclosure state. It is important that the intended user of the appraisal understand that, in Texas, there is no legal requirement for grantors or grantees to disclose any information relative to a transfer of real property. In Texas, deeds typically do not contain information about the transaction other than the legal description, the parties involved in the transaction and minimum consideration of \$10.00. As a result, no data source provides absolute coverage of all transactions. It is possible that there are sales data in the market, of which the appraisers are unaware. Our sources provide the data typically available to appraisers in the ordinary course of business.

The use of extraordinary assumptions or hypothetical conditions might have affected assignment results.

Extraordinary Assumptions:

1.) The subject subdivision appraised herein is under-development, with prospective completion dates. In this Appraisal Report, we have projected market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, we have projected the retail valuation of the individual subject lots, absorption period and holding costs based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from that which are expected on the anticipated dates of completion that are reflected in this report. Because actual future market conditions may deviate from that which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sales data that will be available on the prospective date of completion.

2.) The valuation of the subject improvements "Upon Completion" require valuation of the various subject improvements as of the prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, we have relied upon surveys, plats and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value estimate is subject to revision.

3.) This appraisal is subject to all under-development improvements being completed in a timely and professional workmanlike manner and that the proposed improvements

do not deviate significantly from those described herein.

4.) This appraisal is subject to a final subdivision plat/s.

5.) This appraisal assumes that Meritage Homes and Trophy Homes, or comparable production builder/s, will build upon the under-development subject lots, detached single-family units with a projected price from \$320,000 to \$460,000.

6.) If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions: None

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Name: **Prairie Winds Public Improvement District, Improvement Area # 1**

Type of Property: The subject of this appraisal consists of 280 lots, comprised of 86 under-development lots in Phase 1; and 194 under-development lots in Phase 2; located along the south line of Main Hippo Drive, the north line of F.M. 132, east of F.M. 1660, and west of F.M. 133, in Hutto, Williamson County, Texas 78634. The subject lots have a Phase 1 typical lot size of 60' x 120', or 7,200 SF; and a Phase 2 lot size of 45' x 120' or 5,400 SF and 50' x 120' or 6,000 SF.

Coordinates: 30.577472 Latitude; -97.535524 Longitude

Postal Address: Hutto, Texas 78634

Location: Located along the south line of Main Hippo Drive, the north line of F.M. 132, east of F.M. 1660, and west of F.M. 133, in Hutto, Williamson County, Texas 78634.

Tract Sizes: Phase 1 – 25.134 acres (86 lots)
Phase 2 – 40.502 acres (194 lots)

Density: Phase 1 – 3.42 lots per acre
Phase 2 – 4.79 lots per acre

Subject Lot Mix:

<u>Phase No.</u>	<u>No.</u>	<u>Description</u>	<u>Avg. FF</u>	<u>Avg. Size</u>
1	86	Under-development	60'	7,200 SF
2	140	Under-development	45'	5,400 SF
2	54	Under-development	50'	6,000 SF
	<u>280</u>			

Appraisal Dates:

- Date of Report Transmittal: December 2, 2024
 - Date of Site Visit: November 26, 2024
 - Upon Completion Date of Value: December 31, 2024 (Phase 1), and March 31, 2025 (Phase 2)

Purpose of the Appraisal: To provide an opinion of the "Upon Completion" Bulk Market Values per the U.S.P.A.P., FMSbonds, Inc.'s

Appraisal Guidelines, and the Appraisal Institute’s Code of Professional Ethics.

Rights Appraised: Fee Simple Estate
 Zoning: SF-1 Village by the City of Hutto.
 Restrictions: None adverse known
 Utilities/Services:

Utilities/Services	
Electricity:	ONCOR
Water/Sanitary Sewer:	Jonah SUD/City of Hutto
Gas:	Atmos Energy
Phone:	AT&T & others
Police Protection:	City of Hutto & Williamson Co. Sheriff's Dept.
Fire Protection:	City of Hutto & Williamson Co. ESD #3
School District:	Hutto I.S.D.

Floodplain:

FEMA Flood Map	
Flood Map No.:	48491C0510F
Flood Map Date:	12/20/2019
Flood Map Designation:	Zone X

Environmental: No adverse influences noted or known, such as endangered species, habitats, or wetlands.
 Builders: Meritage Homes and Trophy Homes are the exclusive builders in the community.
 New Home Price Range: Detached single-family units with a projected price from \$320,000 to \$460,000.
Highest & Best Use of Lots: Lot completion and construction of lower move-up single-family detached residential homes, as demand and market conditions warrant with a price point from \$320,000 to \$460,000 by Meritage Homes and Trophy Homes or comparable builder/s.

CONCLUSIONS:

To conclude, it is our opinion that the fee simple estate **prospective “Upon Completion” Bulk Market Values** of the fee simple interest in the subject lots, as of the indicated dates, are as follows:

Description	No. of Lots	Avg. Lot FF	Bulk Value	Effective Date
"Upon Completion" Bulk Market Value, Phase 1	86	60'	\$9,550,000	12/31/2024
"Upon Completion" Bulk Market Value, Phase 2	194	45' & 50'	\$15,990,000	3/31/2025

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject of this appraisal consists of 280 lots in Prairie Winds PID, comprised of 86 under-development lots in Phase 1; and 194 under-development lots in Phase 2; located along the south line of Main Hippo Drive, the north line of F.M. 132, east of F.M. 1660, and west of F.M. 133, in Hutto, Williamson County, Texas 78634. The subject lots have a Phase 1 typical lot size of 60' x 120', or 7,200 SF; and a Phase 2 lot size of 45' x 120' or 5,400 SF and 50' x 120' or 6,000 SF. According to the developer, Phase 1 lots will be substantially complete December 31, 2024, and Phase 2 lots will be substantially complete March 31, 2025. The subject can be legally identified by Metes and Bounds as noted below:

EXHIBIT ____

Lidell Walker PH 1 & 2
65.636 AcresMETES & BOUNDS DESCRIPTION

FIELD NOTES FOR 65.636 ACRES OF LAND OUT OF THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CALLED 263.021 ACRE TRACT OF LAND AS CONVEYED TO GRBK EDGEWOOD, LLC AND MERITAGE HOMES OF TEXAS, LLC BY SPECIAL WARRANTY DEED AS RECORDED IN DOCUMENT NUMBER 2023089401 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 65.636 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED IN TWO (2) TRACTS BY METES AND BOUNDS AS FOLLOWS:

TRACT 1

BEGINNING at a 1/2-inch iron rod with cap stamped "BGE INC" set on the north right-of-way line of County Road 132 (variable width right-of-way) at the southeast corner of the above described 263.021-acre tract, and the southwest corner of the remaining portion of a called 105.75 acre tract of land as conveyed to Charles Mervin Walker and Grace E. Walker by Warranty Deed recorded in Volume 484, Page 331 of the Deed Records of Williamson County, Texas, for the southwest corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, with the north right-of-way line of said County Road 132 and the south line of said 263.021-acre tract, N 82°44'12" W a distance of 867.72 feet to a 1/2-inch iron rod found for angle point;

THENCE, continuing with the north right-of-way line of said County Road 132 and the south line of said 263.021-acre tract, N 83°08'58" W a distance of 406.40 feet to a 1/2-inch iron rod with a cap stamped "TLS" found for angle point at the northeast corner of a fifteen (15') foot right-of-way tract as dedicated by plat of RIVER CROSSING SUBDIVISION PHASE THREE, a subdivision as recorded in Cabinet X, Slides 249-252 of the Plat Records of Williamson County, Texas;

THENCE, partly with the north right-of-way line of said County Road 132, the north line of said RIVER CROSSING SUBDIVISION PHASE THREE and the south line of said 263.021-acre tract, N 82°26'38" W, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found at the northeast corner of Lot 11, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 15.00 feet, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found at the common north corner of Lot 9 and Lot 10, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 233.17 feet, and continuing on for a total distance of 524.18 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the southwest corner of said

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\\BGE\INC\DATA\TXC\PROJECTS\GREEN_BRICK_PARTNERS\12802-00-PRAIRIE_WINDS-GENERAL\SV\04_FINAL\SMB\12802-00-PH1_2_1A-FN.DOCX

263.021-acre tract, and at the southeast corner of MUSTANG CREEK, PHASE 1, a subdivision as recorded in Document Number 2020111349 of the Official Public Records of Williamson County, Texas, for the southwest corner of the herein described tract, from which a 1/2-inch iron rod found on the north line of said RIVER CROSSING SUBDIVISION PHASE THREE subdivision bears N 82°26'38" W a distance of 653.49 feet;

THENCE, departing the north line of said RIVER CROSSING SUBDIVISION PHASE THREE with the west line of said 263.021-acre tract and the east line of said MUSTANG CREEK, PHASE 1, N 21°39'45" W, a distance of 441.98 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the east line of Lot 107, Block B of the MUSTANG CREEK, PHASE 8, a subdivision as recorded in Document Number 2022091992 of the Official Public Records of Williamson County, Texas, for the northwest corner of the herein described tract;

THENCE, departing the east line of said MUSTANG CREEK, PHASE 8 subdivision, over and across said 263.021-acre tract, N 68°20'15" E a distance of 318.44 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an angle point;

THENCE, continuing over and across said 263.021-acre tract, S 83°08'58" E a distance of 513.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, N 35°07'34" E a distance of 85.65 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an angle point;

THENCE, continuing over and across said 263.021-acre tract, N 69°33'22" E a distance of 90.18 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an angle point;

THENCE, continuing over and across said 263.021-acre tract, N 82°22'10" E a distance of 304.52 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an angle point;

THENCE, continuing over and across said 263.021-acre tract, S 79°55'05" E a distance of 260.42 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an angle point;

THENCE, continuing over and across said 263.021-acre tract, N 68°22'16" E a distance of 126.23 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the east line of said 263.021-acre tract and the west line of said Walker remainder tract for the northeast corner of the herein described tract;

THENCE, with the common line of said 263.021-acre tract and said Walker remainder tract, S 21°37'44" E a distance of 900.50 feet to the southeast corner and **POINT OF BEGINNING** and containing 25.134 acres of land, more or less.

TRACT 2

BEGINNING at a mag nail found on the east line of MUSTANG CREEK, PHASE 4, a subdivision as recorded in Document Number 2021137021 of the Official Public Records of Williamson County, Texas, at a west corner of the above described 263.021-acre tract, at the south corner a called 0.86 acre tract (Tract I) as to conveyed to GRBK Edgewood, LLC by general warranty deed recorded in Document Number 2024062745 of the Official Public Records of Williamson county, Texas, for the most westerly corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, with the northwesterly line of said 263.021-acre tract and the southeasterly lines of said called 0.86-acre tract (Tract I) and a called 1.22 acre tract (Tract II) as to conveyed to GRBK Edgewood, LLC by general warranty deed recorded in Document Number 2024062745 of the Official Public Records of Williamson county, Texas, and the remainder of a called 27.36 acre tract of land, as conveyed to Howard R. Sladek and Brenda Sladek by warranty deed recorded in Volume 866, Page 661 of the Deed Records of Williamson County, Texas, N 49°28'29" E, pass a 1/2-iron rod with cap stamped "MWM 512-452-0767" found at the common east corner of said 0.86-acre tract (Tract I) and said 1.22-acre tract (Tract II) at a distance of 366.49 feet, pass a 1/2-iron rod with cap stamped "MWM 512-452-0767" found at the common east corner of said 1.22-acre tract (Tract II) and said Sladek remainder tract at a distance of 534.05, and continuing on for a total distance of 851.72 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the southeasterly line of said Sladek remainder tract, for the most northerly corner of the herein described tract;

THENCE, departing the southeasterly line of said Sladek remainder tract, over and across said 263.021-acre tract, S 10°38'36" W a distance of 246.84 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 79°21'24" E a distance of 107.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of curvature of a curve to the left;

THENCE, continuing over and across said 263.021-acre tract along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears N 55°38'36" E a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 79°21'24" E a distance of 55.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at a point of curvature of a non-tangent curve to the left for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of $90^{\circ}00'00''$ and a chord which bears $S\ 34^{\circ}21'24''\ E$ a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, $S\ 10^{\circ}38'36''\ W$ a distance of 120.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, $S\ 79^{\circ}21'46''\ E$ a distance of 247.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, $S\ 10^{\circ}14'10''\ W$, a distance of 120.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an angle point;

THENCE, continuing over and across said 263.021-acre tract, $S\ 10^{\circ}14'11''\ W$, a distance of 55.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner and point of curvature of a non-tangent curve to the left;

THENCE, continuing over and across said 263.021-acre tract along said curve to the left, an arc distance of 78.29 feet, having a radius of 1,185.00 feet, a central angle of $03^{\circ}47'08''$ and a chord which bears $S\ 81^{\circ}39'23''\ E$ a distance of 78.28 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, $S\ 10^{\circ}38'36''\ W$, a distance of 43.22 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, $S\ 21^{\circ}29'14''\ E$, a distance of 339.87 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, $S\ 68^{\circ}30'46''\ W$, a distance of 107.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, $S\ 21^{\circ}29'14''\ E$, a distance of 55.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner and point of curvature of a non-tangent curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 23°30'46" W a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of tangency;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 215.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at a point of curvature of a curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 66°29'24" E a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 55.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner and at a point of curvature of a non-tangent curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 23°30'46" W a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of tangency;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 215.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at a point of curvature of a curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 66°29'14" W a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 55.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner and point of curvature of a non-tangent curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 23°30'46" W a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of tangency;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 215.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" at a point of curvature a curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left, an arc distance of 19.63 feet, having a radius of 12.50 feet, a central angle of 90°00'00" and a chord which bears S 66°29'14" W a distance of 17.68 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of tangency;

THENCE, continuing over and across said 263.021-acre tract, N 68°30'46" E, a distance of 7.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 175.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for the most easterly corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 68°30'46" W a distance of 610.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E, a distance of 97.50 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of curvature of a curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left an arc distance of 35.34 feet, having a radius of 22.50 feet, a central angle of 90°00'00" and a chord which bears S 66°29'14" W a distance of 31.82 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of tangency;

THENCE, continuing over and across said 263.021-acre tract, N 68°30'46" E a distance of 1.53 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an exterior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 55.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" for an exterior corner and point of curvature of a non-tangent curve to the left;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the left an arc distance of 8.66 feet, having a radius of 12.50 feet, a central angle of 39°42'54" and a chord which bears S 48°39'19" W a distance of 8.49 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for a point of reverse curvature;

THENCE, continuing over and across said 263.021-acre tract, along said curve to the right an arc distance of 34.39 feet, having a radius of 52.50 feet, a central angle of 37°31'55" and a chord which bears S 47°33'49" W a distance of 33.78 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for an interior corner of the herein described tract;

THENCE, continuing over and across said 263.021-acre tract, S 21°29'14" E a distance of 105.04 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set the most southerly southeast corner;

THENCE, continuing over and across said 263.021-acre tract, S 68°28'41" W a distance of 199.13 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the west line of said 263.021-acre tract and the east line of MUSTANG CREEK, PHASE 8, a subdivision as recorded in Document Number 2022091992 of the Official Public Records of Williamson County, Texas, for the southwest corner of the herein described tract;

THENCE, with the west line of said 263.021-acre tract and partially with the east line of said MUSTANG CREEK, PHASE 8, the east line of MUSTANG CREEK, PHASE 5, a subdivision recorded in Document Number 2021141183, and the east line of said MUSTANG CREEK, PHASE 4, N 21°39'45" W a distance of 2,183.56 feet to the **POINT OF BEGINNING** and containing 40.502 acres of land, more or less.

The gross area contained within Tracts 1 and 2 totals 65.636 acres of land, more or less.

I hereby certify that these notes were prepared from a survey made on the ground on May 6, 2022 under my supervision and are true and correct to the best of my knowledge. The bearing orientation is based on the Texas State Plane Coordinate System, NAD-83, Central Zone. A sketch accompanies this description.


Jonathan O. Nobles RPLS No. 5777

BGE, Inc.
101 West Louis Henna Blvd., Suite 400
Austin, Texas 78728
Telephone: 512-879-0400
TBPELS Licensed Surveying Firm Number 10106502



09/26/2024
Date

Client: Green Brick Partners
Date: September 26, 2024
Job No: 12802-00

HISTORY OF THE SUBJECT PROPERTY

Per the requirements of the Appraisal Institute's Standards of Professional Practice and the U.S.P.A.P., the following are comments pertaining to the three-year sales history of the subject.

The subject is owned by GRBK Edgewood, LLC & Meritage Homes of Texas, LLC, who reportedly purchased the entitled 1,097 lots in September 2023 for \$49,200,000, or \$44,850 per Paper Lot. The project is being developed by Grenn Brick Partners and Meritage Homes, with SFR units being constructed by Trophy Homes (an entity of Green Brick Partners) and Meritage Homes. This is a developer/builder scenario, with no third part lot purchase contracts.

The appraisers are not aware of any other sales, listings for sale, contracts, or offers to purchase the subject under-development lots in the three years prior to the effective date of this appraisal.

INTENDED USE/USER OF THE APPRAISAL

This appraisal is intended to offer our opinion of the **prospective “Upon Completion” Bulk Market Values of the 280 under-development lots in IA #1 of the Prairie Winds PID**, to the client, FMSbonds, Inc., for the underwriting of the City’s Prairie Winds Public Improvement District, Improvement Area #1 Bond transaction. The use of the appraisal by anyone other than Mr. Tripp Davenport, III and Mr. Robert Rivera (c/o FMSbonds, Inc.), or the City is prohibited, except as provided herein. 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, 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, as provided by the client. Any other party is an unintended unauthorized user.

SCOPE OF WORK OF THE APPRAISAL

The scope of work of the appraisal is the process to support our opinion of the prospective “Upon Completion” Bulk Market Values of the 280 under-development lots in IA #1 of the Prairie Winds PID subdivision, employing all applicable approaches to value in a

comprehensive appraisal process and presented in this Appraisal Report. In preparing this appraisal, the appraisers:

- visited the subject property and surrounding market area, unaccompanied;
- contacted Mr. Austin Evetts (512-694-5303) and Stephen Plevak (512-965-3965) Green Brick Partners, and Patrick Bourne (512-871-8810), with Sundance Analytics, who provided physical, financial and historical data for this valuation analysis;
- analyzed macro and micro market conditions of this region and market area;
- interviewed active market participants;
- gathered relevant available information on current comparable builder takedown lot sales and lot absorption data, referencing such publications as the ABOR MLS, the Zonda Austin Metrostudy and the appraisers' extensive database;
- referenced other publications and services such PWC, RERC, CoStar, Google Earth, Realty Rates.com, Texas A & M Real Estate Research Center, the Williamson County Appraisal District, and the Williamson County Clerk's Office, among other services;
- confirmed and analyzed the data and applied the most applicable approaches to value; i.e. the Sales Comparison Approach and the Income Approach;
- the Cost Approach was not developed as the lots are under-development and are no longer a function of the costs. The absence of the Cost Approach does not affect the credibility of the Market Value conclusions in this appraisal;
- concluded the Bulk Value of all 280 lots, comprised of under-development lots in IA #1 of the Prairie Winds PID, to a single purchaser; and, as such, our report conforms to the reporting guidelines of the Appraisal Institute, the Texas Appraiser Licensing and Certification Board, the Appraisal Foundation's U.S.P.A.P., and Regulation 12 CFR Part 564; and
- concluded the prospective "Upon Completion" Bulk Market Values of the 280 under-development 45', 50', and 60' detached SFR lots in IA #1 of the Prairie Winds PID, as of the stated effective dates for a reasonable exposure period.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the ***Fee Simple Estate***. Fee Simple Estate is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 73, as follows:

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.

DEFINITION OF MARKET VALUE

As referred to herein, **Market Value** is defined by FIRREA, as follows:

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 each 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.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

DEFINITION OF “SUM OF THE RETAIL VALUES”

As referred to herein, **Sum of Retail Values** is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 185, as follows:

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the aggregate of the retail values or aggregate retail selling price.

DEFINITION OF “AS IS” MARKET VALUE ON APPRAISAL DATE

As referred to herein, **“As Is” Market Value** is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 10, as follows:

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraised date.

DEFINITION OF “BULK VALUE”

As referred to herein, “**Bulk Value**” is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, revised 2022, by the Appraisal Institute, Page 22, as follows:

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

DATES OF THE APPRAISAL

The date of the site visit was November 26, 2024. The prospective “Upon Completion” Bulk Market Values effective date of value of this appraisal are December 31, 2024 (Phase 1) and March 31, 2025 (Phase 2). The date of transmittal of the report is December 2, 2024.

ZONING & RESTRICTIONS

The subject is zoned SF-1 Village by the City of Hutto, which is considered a legally conforming use. The subject lots are also assumed to be deed restricted, and we are unaware of any adverse deed restrictions which would preclude development to the subject lots’ highest and best use.

AD VALOREM TAX DATA

All properties in the State of Texas are taxed at 100% of their assessed value, which are determined for all taxing jurisdictions within a county by a central county appraisal district, in this case, the Williamson County Appraisal District (WCAD). The under-development lots have not been individually assessed and are considered a portion of the parent tract, Account Numbers R325515, R365975, R020375, R365971, R334065, and R619629, which have a total assessed value of \$1,015,958.

In most cases, the taxing entities typically assess lots at around 15% to 100% of the retail value. Within the discounted cash flow section of this report, the appraisers will utilize an average **75%** assessment-to-retail value ratio, which was derived from tax comparables from the subject’s competitive market area, see table below:

Property Tax Comps for Prairie Winds			
WCAD Property ID	Street Address	2024 Lot Value	% Tax Assessment
R616575	211 Sweetwater Creek Ln.	\$75,000	73.60%
R612372	106 Milliner Loop	\$81,000	79.49%
Average Tax Assessment-to-Total Value Ratio:			76.55%
Rounded:			75%

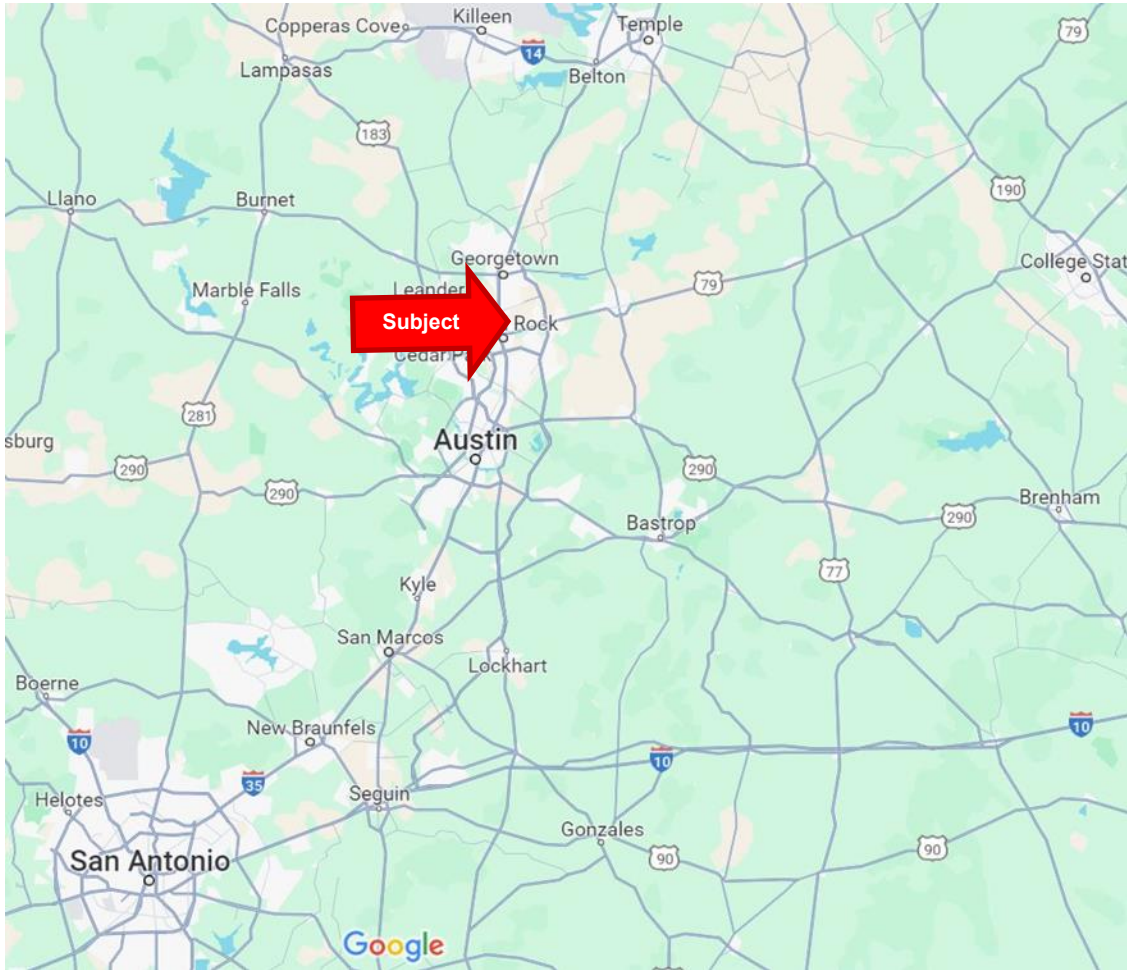
2024 Tax Rates: The 2024 property tax rates per \$100, applicable to the subject, are summarized in the following table:

Taxing Authorities and 2024 Rates per \$100	
City of Hutto	\$0.3996
Williamson County ESD #3	\$0.1000
Williamson County	\$0.3557
EWC Higher Education Center	\$0.0391
Williamson County FM/RD	\$0.0443
Hutto I.S.D.	\$1.2052
Lower Brushy Creek WCID	\$0.0165
2024 Cumulative Tax Rate per \$100:	\$2.1604

GREATER AUSTIN AREA DATA

(Please refer to the Addenda of this appraisal for an Austin MSA summary analysis.)

AUSTIN AREA MAP



MARKET AREA ANALYSIS

Market Area Defined: According to The Dictionary of Real Estate Appraisal, Seventh Edition, by the Appraisal Institute, 2022, page 116, a **market area** is defined as: “The geographic region from which a majority demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area.”

Boundaries: In order to discuss a market area, the boundaries must be set in order to distinguish the market area from the rest of the community. The market area comprises the eastern Georgetown/Round Rock/Hutto corridor of southeast Williamson County, with boundaries generally delineated as follows:

S.H. 29 to the north;
S.H. 45 to the south;
I.H. 35 to the west; and
S.H. 95 to the east.

The subject market area is located approximately 20 miles northeast of Austin, Texas, in a suburban growth corridor that is in the direct path of Austin’s northeasterly expansion.

Access: I.H. 35 is the primary north/south corridor for the market area, and has by far, the highest concentration of commercial and retail development for the market area. S.H. 130 is a relatively recently constructed toll road, which is now complete between I.H. 10 in Seguin and I.H. 35, north of Georgetown, and generally parallels I.H. 35. S.H. 130 is intended to alleviate congestion along I.H. 35. S.H. 45 is also a recently constructed toll road that now extends west from S.H. 130 to U.S. Highway 183, and provides additional east/west access along the Williamson/Travis County line into Cedar Park to the west and Hutto to the east.

The primary east/west thoroughfares are U.S. Highway 79/Palm Valley Boulevard, CR 138 (Gattis School Road), CR 3406 (Old Settlers Boulevard), F.M 1431 (University

Boulevard), and Louis Henna Boulevard. The primary north/south thoroughfares are F.M. 1460 (A.W. Grimes Blvd.), and CR 110, along with I.H. 35 and S.H. 130.

Services/Utilities: Police and fire protection is provided by the various municipalities, including the City of Georgetown, the City of Round Rock and the City of Hutto for the area situated within the city limits. The area beyond the city limits is patrolled and serviced by the Williamson County Sheriffs' Department, and various municipal fire/EMS districts.

Water and wastewater for the majority of the area is provided by the cities of Hutto, Round Rock and Georgetown, with sufficient capacity to sustain future growth. The areas outside of the city limits are served through either MUDs, WCIDs, or private well and septic systems. Electricity to the area is by Pedernales Electric Co-op and Oncor Electric, and typically AT&T or Verizon provide telephone service. Natural gas is provided by Atmos Energy or local propane companies.

Education: The market area is served by the Georgetown, Round Rock, and Hutto independent school districts. Enrollment has surged as Austin's predominant population trends continue to push northward. Austin Community College, Southwestern University, and The University of Texas are all conveniently located to the subject market area

Residential: The appraisers have referenced the Zonda Austin Metrostudy, 3rd Quarter 2024. The following chart summarizes the vital statistics for the subject's submarket, and the overall Austin region.

Zonda Austin Metrostudy 3Q 2024								% Change
Submarket/ Market Area		3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	Yrly. Rates/ Supply	12 Month
Hutto Market Area	Starts	330	268	250	254	169	941	-48.79%
	Closings	348	190	549	387	176	1,302	-49.43%
	Housing Inv.	795	873	574	441	434	4.0 mos.	-45.41%
	VDL Inv.	1,349	1,191	1,017	912	1,685	21.49 mos.	24.91%
Austin Total	Starts	4,477	3,862	4,388	4,945	3,806	17,001	-14.99%
	Closings	4,677	3,867	4,919	5,426	4,919	19,131	5.17%
	Housing Inv.	14,598	14,607	14,077	13,597	12,487	7.83 mos.	-14.46%
	VDL Inv.	33,591	32,132	30,132	29,349	30,919	21.82 mos.	-7.95%

For the 3rd Quarter 2024, the overall Hutto Market Area had 169 starts (a 48.79% decrease since 3rd Quarter 2023) and 1,302 closings (a 49.43% decrease since 3rd Quarter 2023). The result is a new home inventory of 434 units, or a 4.0-month supply, which is superior to the 7.83-month supply for the overall Austin new home market. At the time of this Zonda Austin Metrostudy report, there was a total inventory of 1,685 vacant developed lots in the Hutto Market Area. This equates to a 21.49-month **stable supply**, which is similar to the 21.82-month stable supply for the overall Austin region. Again, a 20-to-24-month supply of lots is considered to be a market in equilibrium.

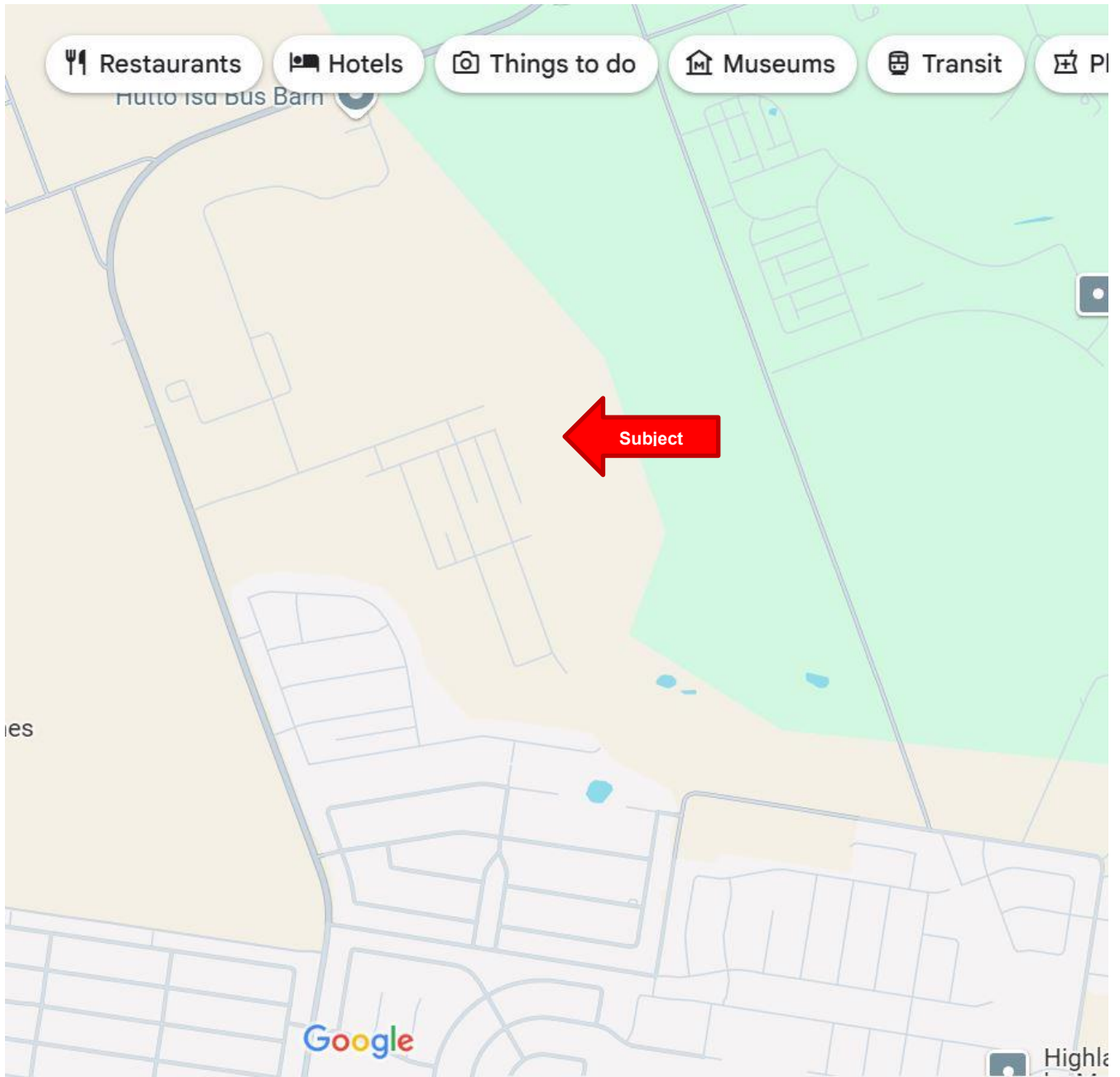
CONCLUSION: The subject market area is best characterized as a suburban growth corridor in the direct path of Austin's northeasterly expansion. The area is desirable due to its suburban locale, school access, proximity to the city of Austin, and affordable home pricing. The construction of S.H. 45 and S.H. 130 has greatly enhanced access, and is expected to notably stimulate demand in the residential and commercial real estate markets. The 5 million square foot electric truck manufacturing plant by Tesla that is existing and under development along S.H. 130 near Austin-Bergstrom International Airport has stimulated significant economic impact for the southeast Austin area. There are no adverse influences or environmental hazards which would restrict growth.

The overall economic outlook of the market area has recently improved from the effects of the Coronavirus pandemic with the economy continuing to open up, along with recovering \$70 - \$90+/- per barrel oil. New home sales activity are expected to continue at a steady pace in this market area, as well as the greater Houston MSA during early 2024, due to softening in the high mortgage interest rates since December 2023.

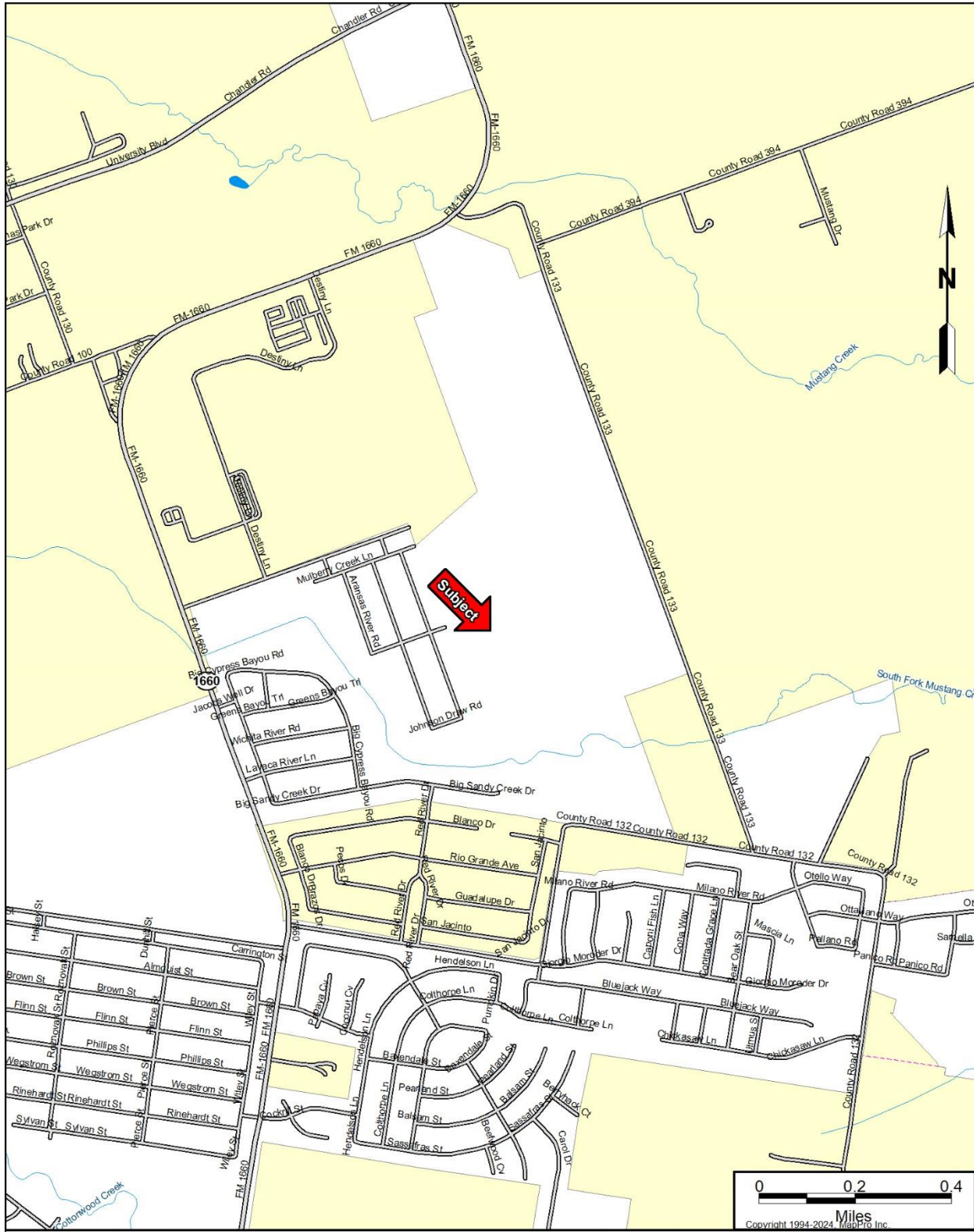
Inflation has been at its highest level since 1982, but has receded to 3.0% in June 2023, but jumped to 3.7% in August 2023, causing the Federal Reserve to rapidly increase interest rates during May 2022 through July 2023. As of July 2024, the inflation rate dropped to 2.9%, which indicates a slowing overall. The overall impact to the local residential market is the anticipation of improving activity in 2024 in comparison to 2023,

as interest rates are expected to further recede the remainder of 2024 into 2025, as a result of recessionary economic conditions and lower inflation.

MARKET AREA MAP



LOCATION MAP



CAUTION: The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.

SITE ANALYSES

The subject of this appraisal consists of 280 lots, comprised of 86 under-development lots in Phase 1; and 194 under-development lots in Phase 2; located along the south line of Main Hippo Drive, the north line of F.M. 132, east of F.M. 1660, and west of F.M. 133, in Hutto, Williamson County, Texas 78634. The subject lots have a Phase 1 typical lot size of 60' x 120', or 7,200 SF; and a Phase 2 lot size of 45' x 120' or 5,400 SF and 50' x 120' or 6,000 SF.

Coordinates: 30.577472 Latitude; -97.535524 Longitude

Postal Address: Hutto, Texas 78634

Location: Located along the south line of Main Hippo Drive, the north line of F.M. 132, east of F.M. 1660, and west of F.M. 133, in Hutto, Williamson County, Texas 78634.

Tract Sizes: Phase 1 – 25.134 acres (86 lots)
Phase 2 – 40.502 acres (194 lots)

Density: Phase 1 – 3.42 lots per acre
Phase 2 – 4.79 lots per acre

Subject Lot Mix:

<u>Phase No.</u>	<u>No.</u>	<u>Description</u>	<u>Avg. FF</u>	<u>Avg. Size</u>
1	86	Under-development	60'	7,200 SF
2	140	Under-development	45'	5,400 SF
2	54	Under-development	50'	6,000 SF
	280			

Zoning: SF-1 Village by the City of Hutto.

Restrictions: None adverse known

Shape: The subject under-development detached SFR lots are generally rectangular-shaped.

Topography: The topography of the subject residential lots is generally level to rolling.

Subdivision Improvements: Improvements include public water and sanitary sewer

lines, electrical lines, natural gas lines, cable/telephone lines, storm drainage and detention.

Easements: The appraisers know of no easements that would adversely affect development of the subject lots to their highest and best use.

Soil/Subsoil Conditions: A soil and subsoil report has not been provided to the appraisers; however, as evidenced by the existing and surrounding development, the soil conditions appear to be adequate in all respects for most types of construction.

Environmental: Upon physical inspection of the subject, no obvious environmental hazards or endangered species were observed. The appraisers are not environmental engineers, and are not qualified to detect environmental hazards or endangered species. For a conclusive analysis of the lots, a study by qualified environmental experts would be necessary.

Amenities: The main amenity center will include pool with splash area, pavilion with bathrooms, pickleball courts, basketball court, playground, swings, open play yard, flex space with café lights and seating. Other amenities throughout the development include playgrounds, pavilions, and sidewalks/trails.

Utilities/Services:

Utilities/Services	
Electricity:	ONCOR
Water/Sanitary Sewer:	Jonah SUD/City of Hutto
Gas:	Atmos Energy
Phone:	AT&T & others
Police Protection:	City of Hutto & Williamson Co. Sheriff's Dept.
Fire Protection:	City of Hutto & Williamson Co. ESD #3
School District:	Hutto I.S.D.

Floodplain:

FEMA Flood Map	
Flood Map No.:	48491C0510F
Flood Map Date:	12/20/2019
Flood Map Designation:	Zone X

Builders: Trophy Homes (an entity of Green Brick Partners) and Meritage Homes are the exclusive builders in the community.

Highest & Best Use of Lots: Construction of starter to lower move-up single-family detached residential homes, as demand and market conditions warrant from \$320,000 to \$460,000 by Trophy Homes and Meritage Homes, or comparable builder/s.

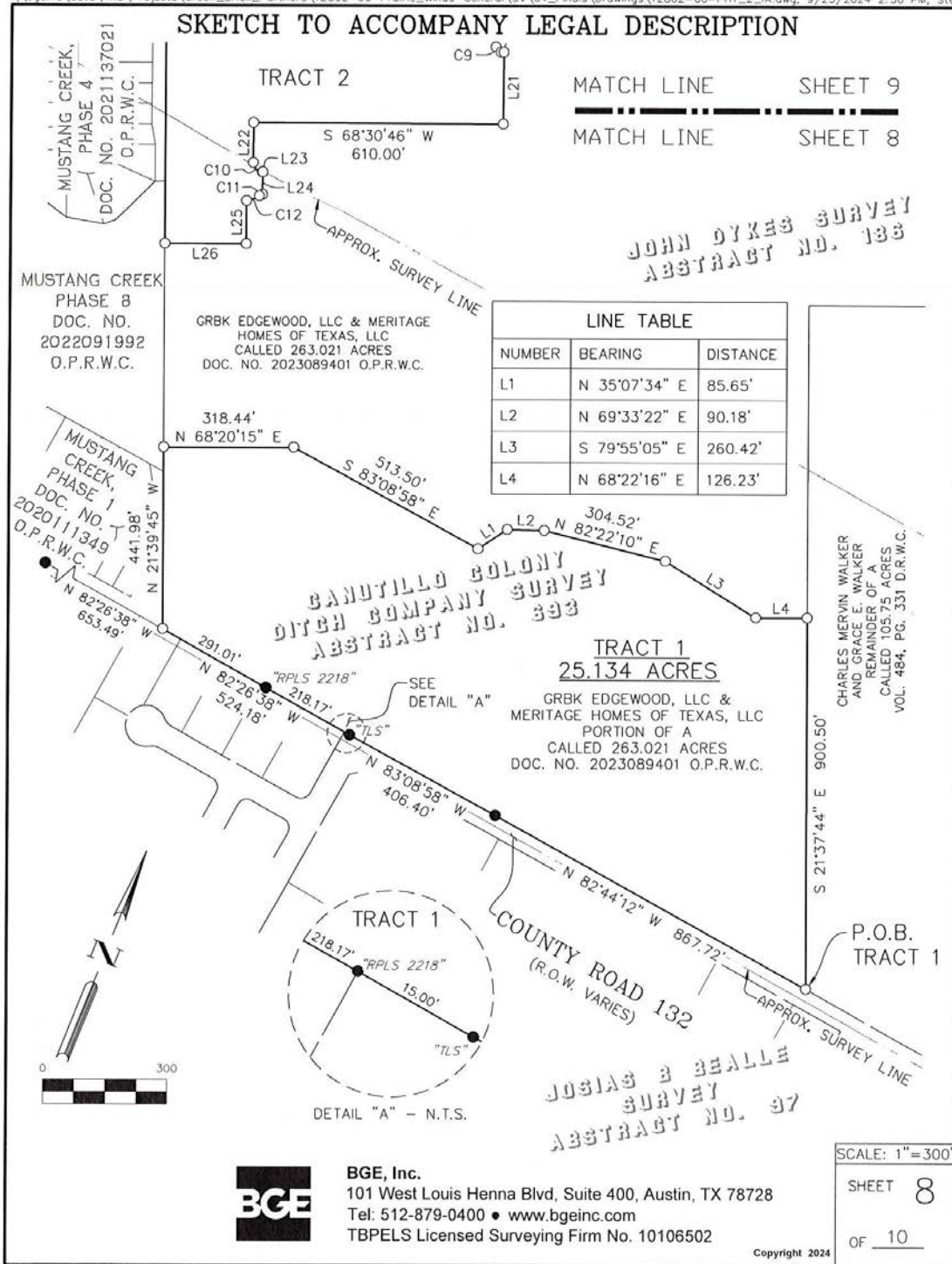
Conclusion: All services and public utilities are available, and no detrimental zoning, encroachments, or restrictions were noted, which would represent an adverse influence to the subject lots for new residential construction from a price point of \$320,000 to \$460,000 by Trophy Homes and Meritage Homes, or comparable builder/s.

WCAD MAP

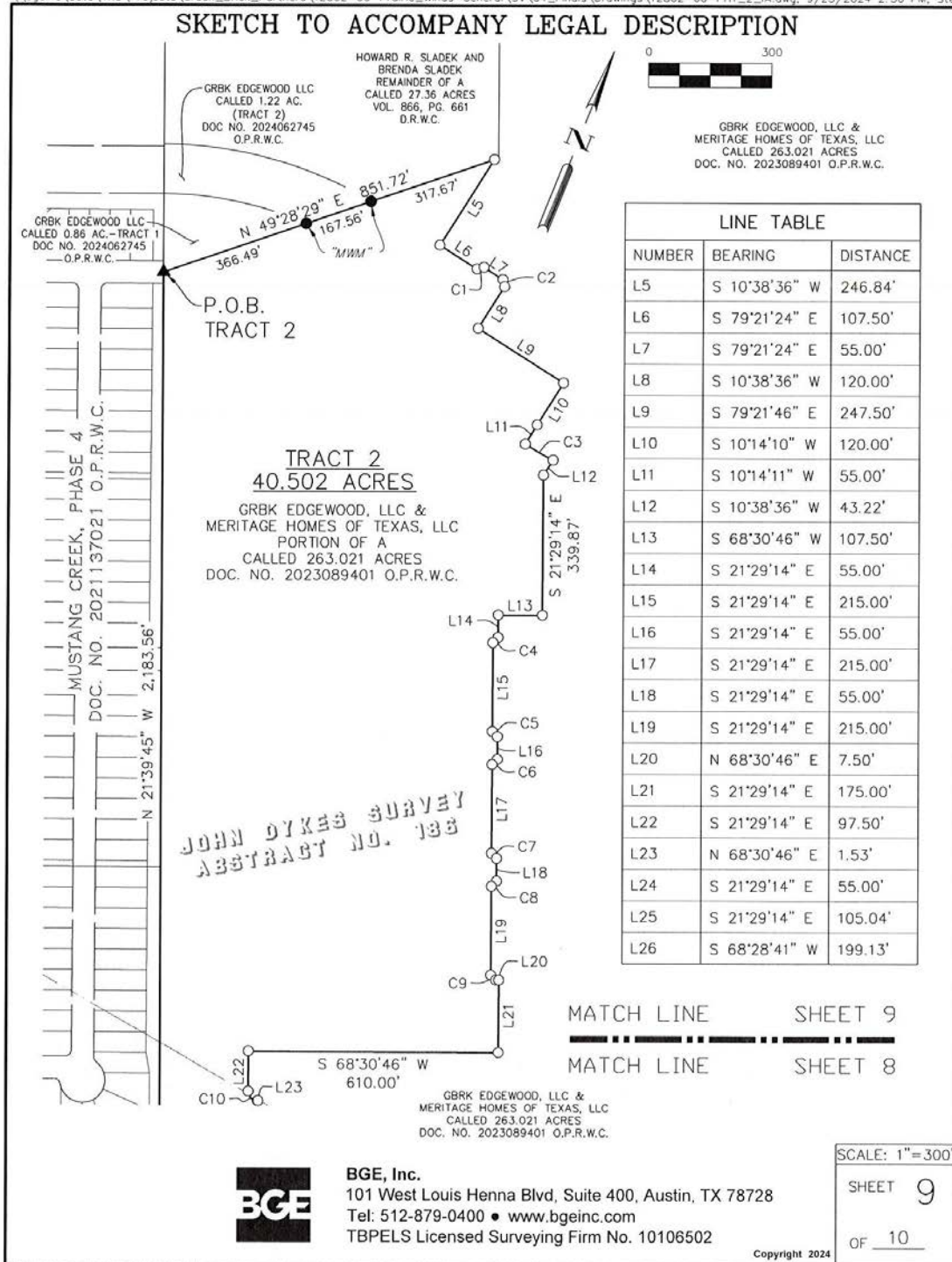


SURVEY OF IA #1

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SKETCH TO ACCOMPANY LEGAL DESCRIPTION

CURVE TABLE					
NUMBER	ARC LENGTH	RADIUS	DELTA	CHORD BEARING	CHORD DISTANCE
C1	19.63'	12.50'	90°00'00"	N 55°38'36" E	17.68'
C2	19.63'	12.50'	90°00'00"	S 34°21'24" E	17.68'
C3	78.29'	1,185.00'	3°47'08"	S 81°39'23" E	78.28'
C4	19.63'	12.50'	90°00'00"	S 23°30'46" W	17.68'
C5	19.63'	12.50'	90°00'00"	S 66°29'14" E	17.68'
C6	19.63'	12.50'	90°00'00"	S 23°30'46" W	17.68'
C7	19.63'	12.50'	90°00'00"	S 66°29'14" E	17.68'
C8	19.63'	12.50'	90°00'00"	S 23°30'46" W	17.68'
C9	19.63'	12.50'	90°00'00"	S 66°29'14" E	17.68'
C10	35.34'	22.50'	90°00'00"	S 66°29'14" E	31.82'
C11	8.66'	12.50'	39°42'54"	S 48°39'19" W	8.49'
C12	34.39'	52.50'	37°31'55"	S 47°33'49" W	33.78'

LEGEND

- DOC. DOCUMENT
- D.R.W.C. DEED RECORDS OF WILLIAMSON COUNTY
- NO. NUMBER
- N.T.S. NOT TO SCALE
- O.P.R.W.C. OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY
- PG. PAGE
- P.O.B. POINT OF BEGINNING
- R.O.W. RIGHT-OF-WAY
- VOL. VOLUME
- FOUND 1/2" IRON ROD
- ▲ FOUND MAG NAIL
- SET 1/2" IRON ROD W/CAP "BGE INC"

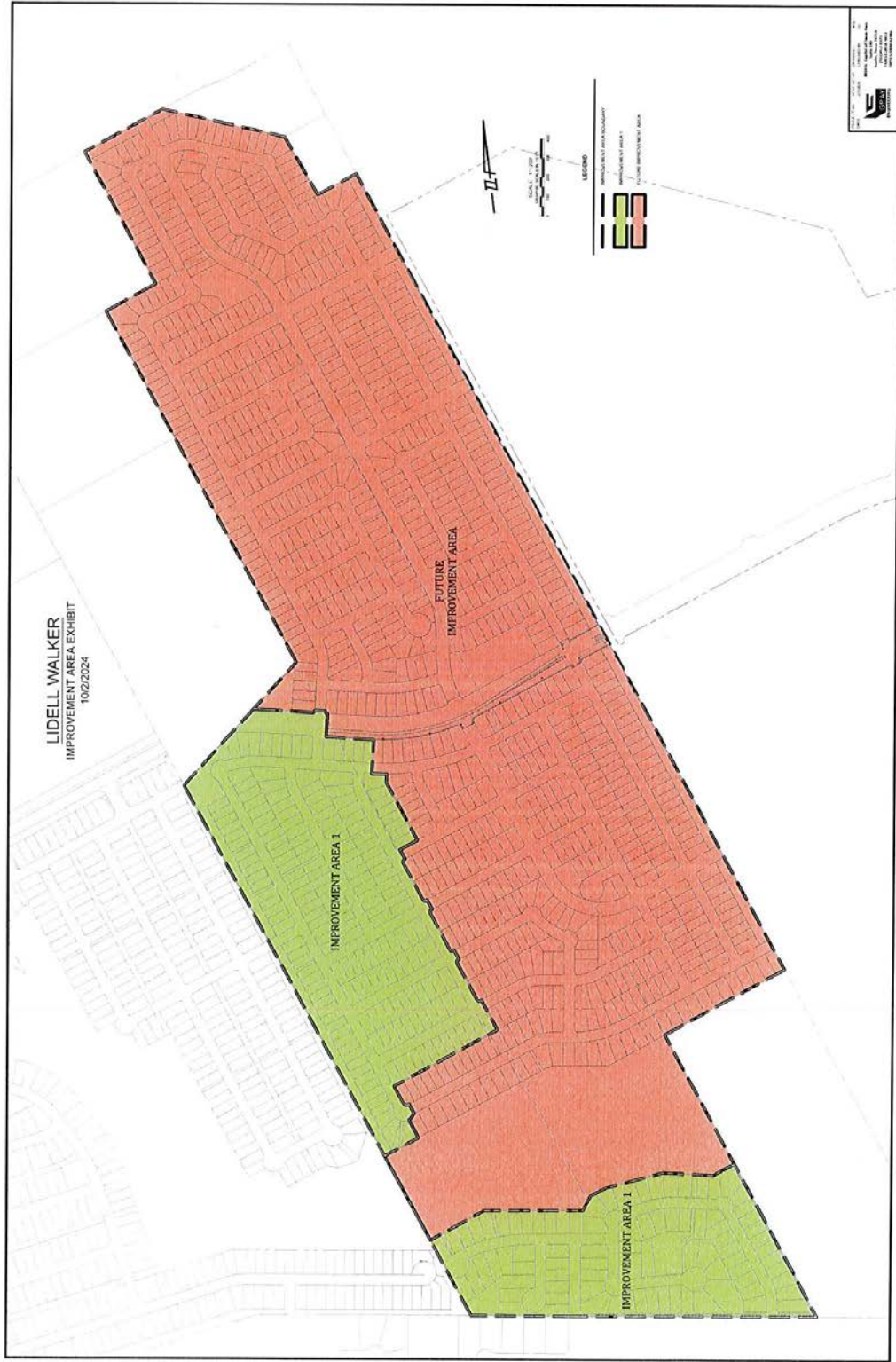


BGE, Inc.
 101 West Louis Henna Blvd, Suite 400, Austin, TX 78728
 Tel: 512-879-0400 • www.bgeinc.com
 TBPELS Licensed Surveying Firm No. 10106502

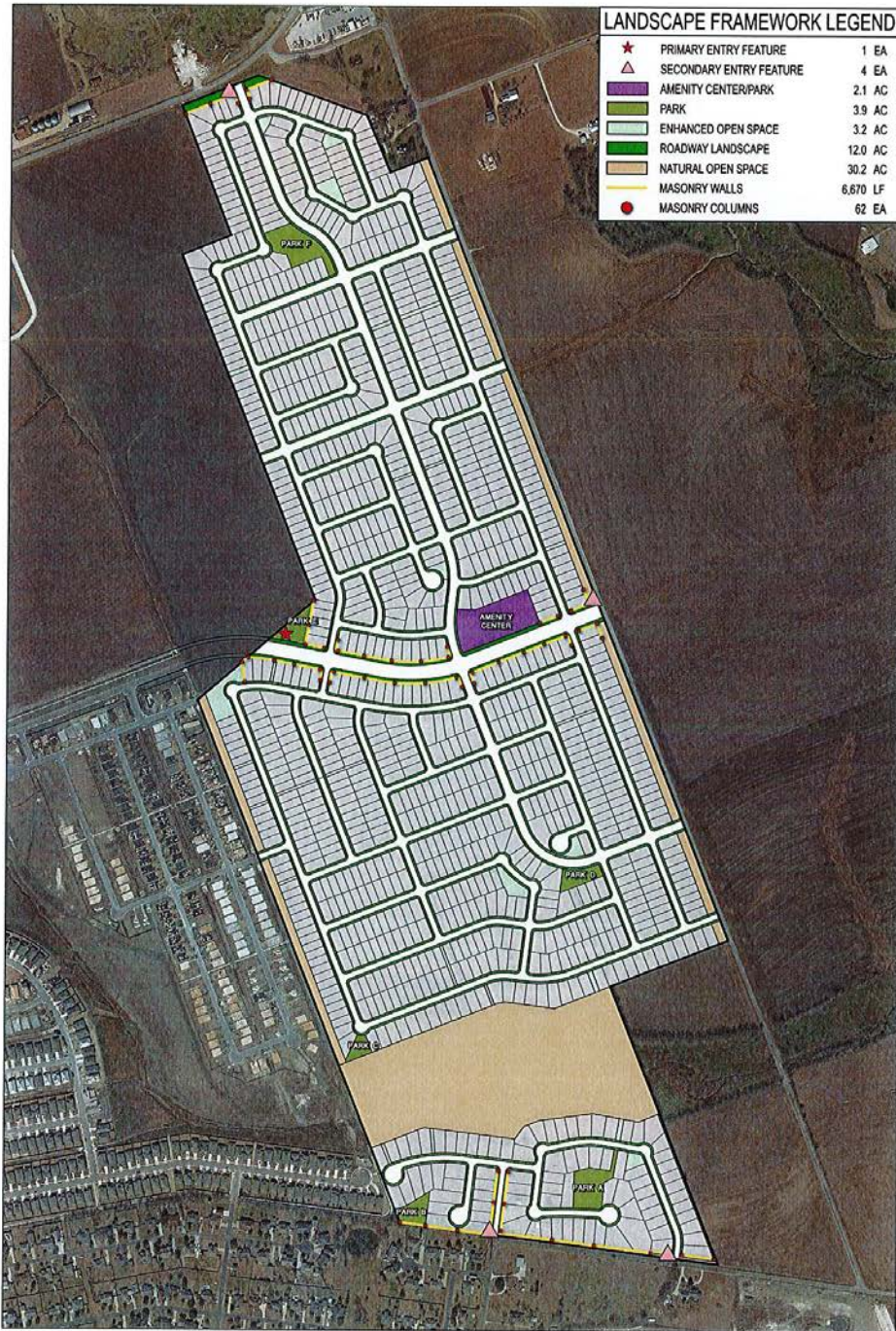
SCALE: ~
 SHEET 10
 OF 10

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IMPROVEMENT AREA #1 EXHIBIT



LAND PLAN



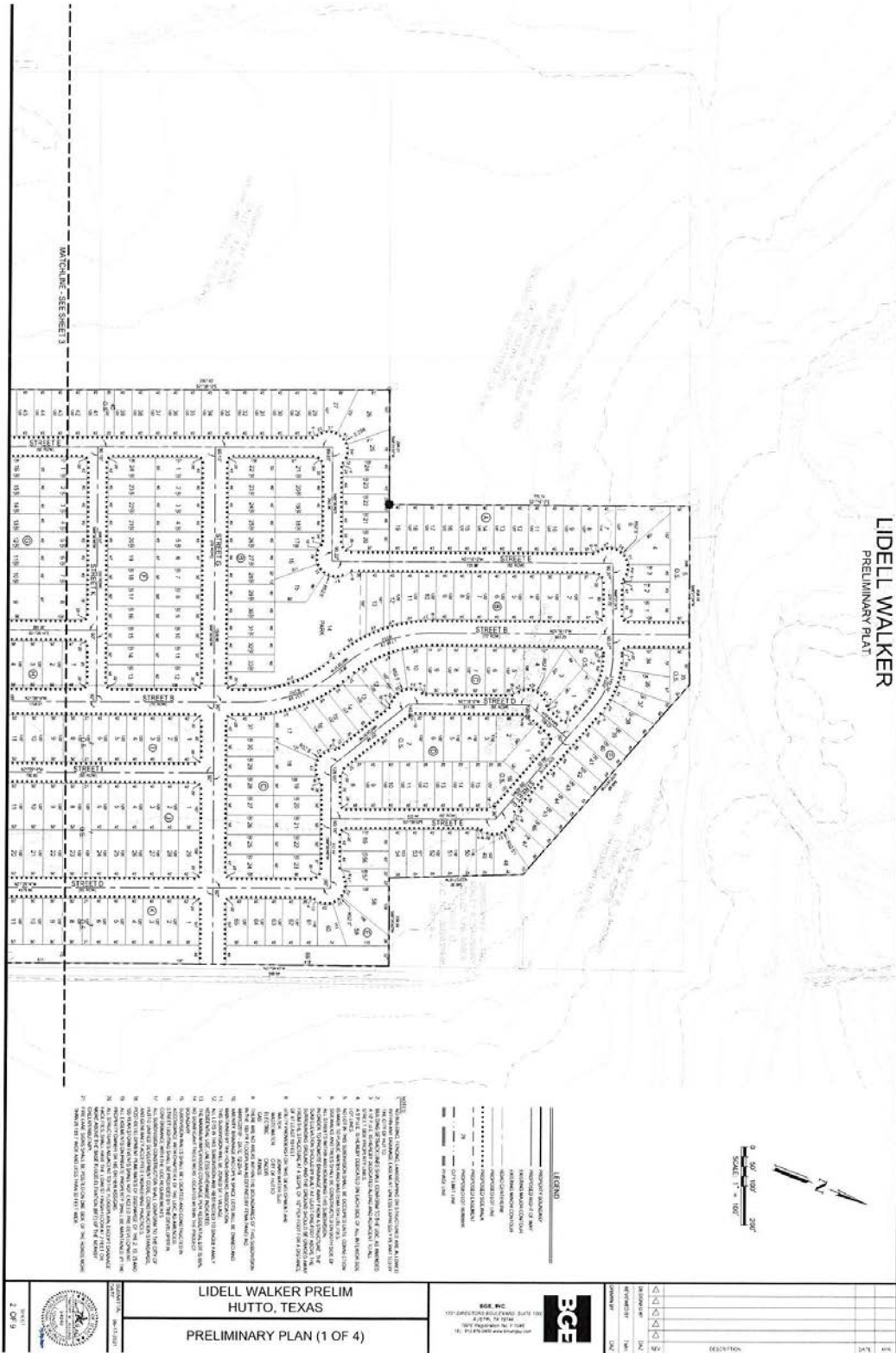
SEC Planning, LLC
 Land Planning • Landscape Architecture • Community Branding
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 (512) 261-7200
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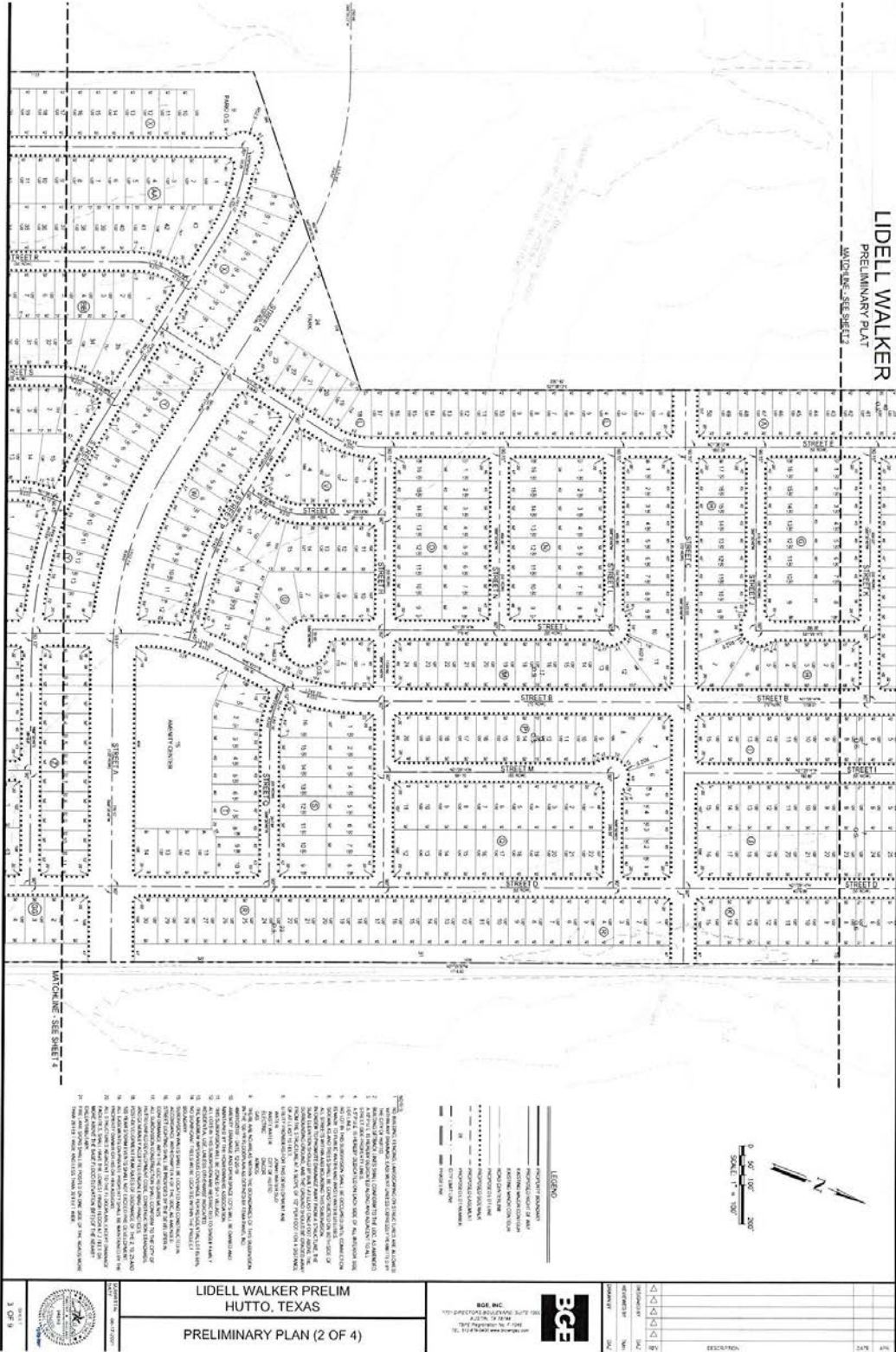
FRAMEWORK PLAN
PRAIRIE WINDS
 HUTTO, TEXAS

North
 Scale: 1" = 500'
 Date: March 28, 2024

SHEET FILE: K:\2018\GREEN/CATIA/PLANNING/ENR/2/PRAIRIE WINDS Plan.dwg
 Base mapping compiled from best available information. All map data should be considered as preliminary, in need of verification, and subject to change. This land plan is conceptual in nature and does not represent any regulatory approval. Plan is subject to change.

PRELIMINARY PLAT

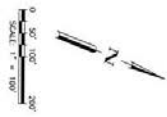
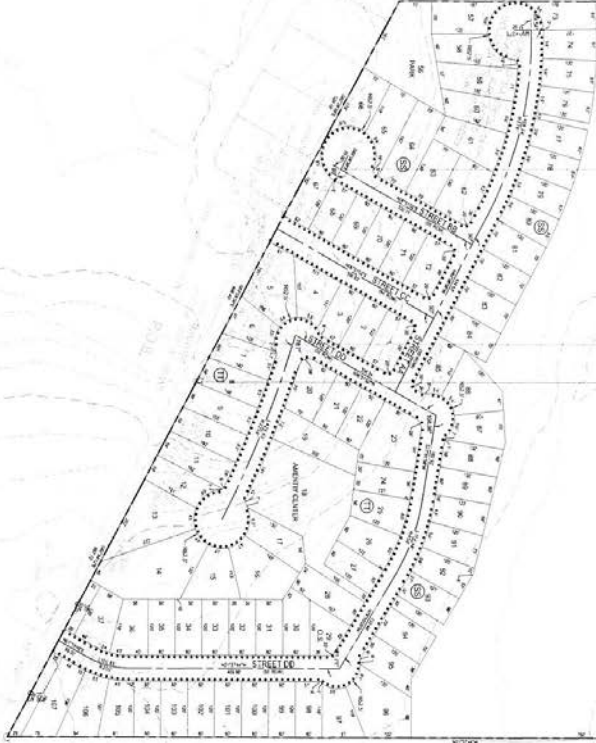






LIDELL WALKER
PRELIMINARY PLAT

MAPON NO. SEE SHEET 3.



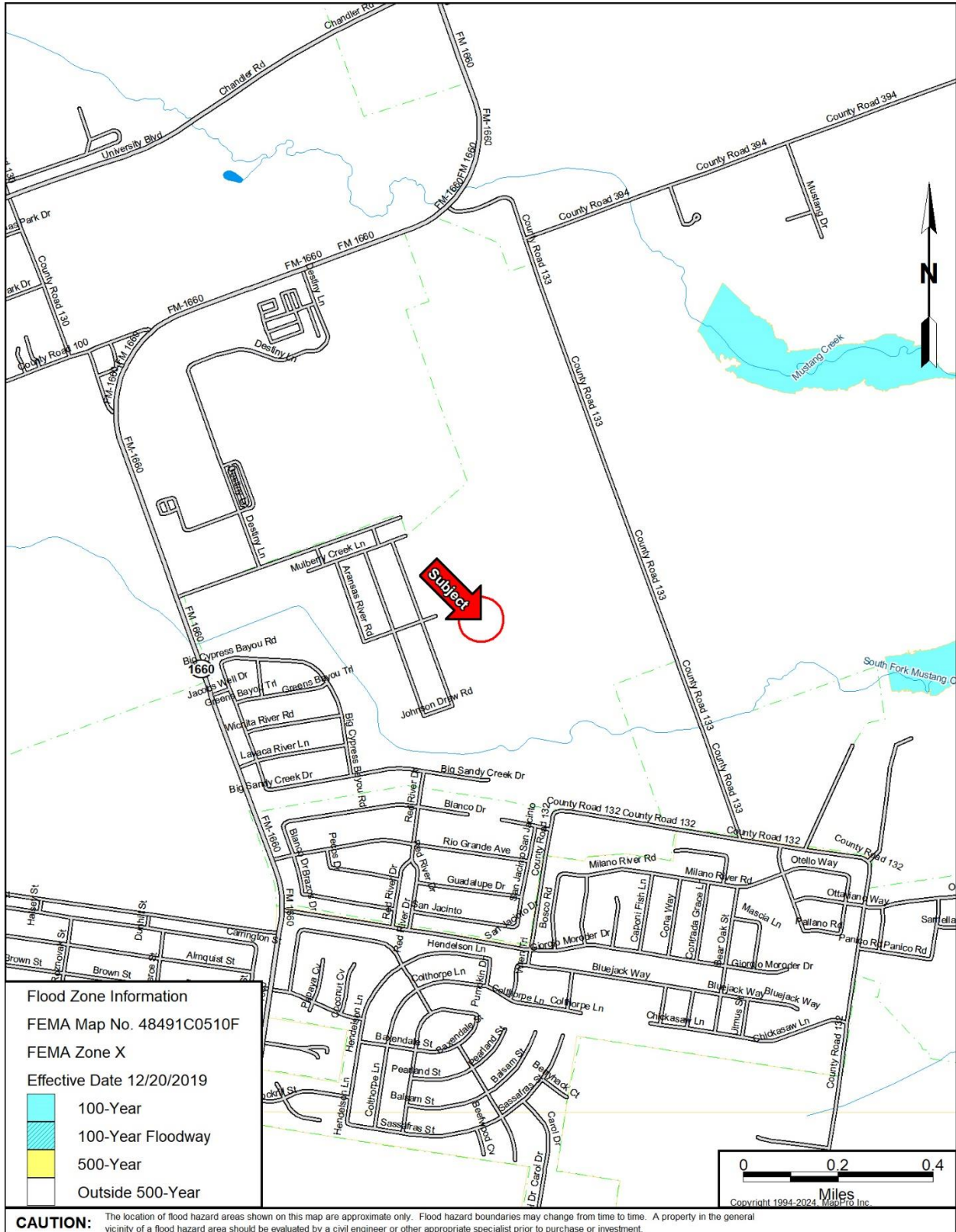
LEGEND

—	PROPERTY BOUNDARIES
---	EASEMENT BOUNDARIES
- - -	EXISTING INFRASTRUCTURE
● ● ● ● ●	PROPOSED SIDEWALK
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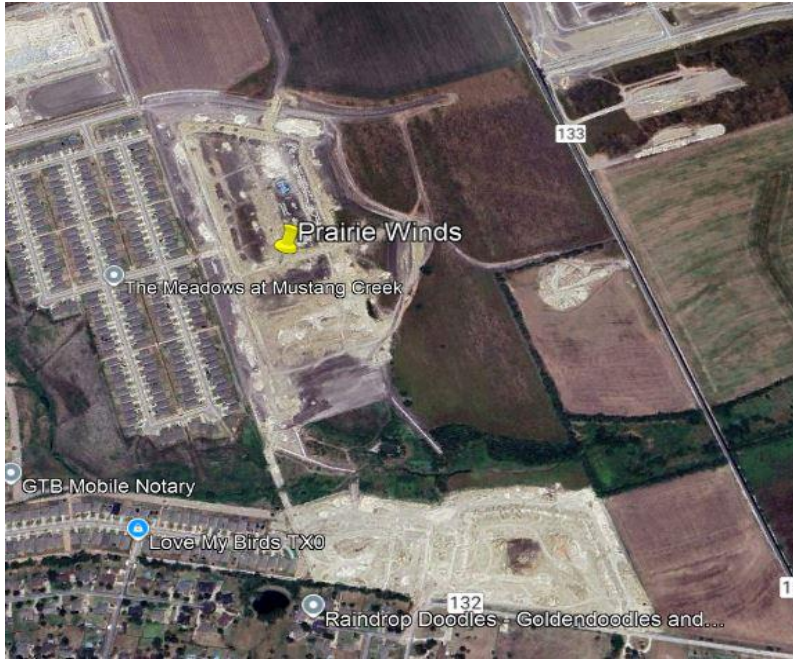
1. THIS PLAT IS A PRELIMINARY PLAT AND IS SUBJECT TO THE APPROVAL OF THE COMMISSIONERS OF THE PUBLIC UTILITY COMMISSION AND THE STATE AGRI-CULTURE, LAND AND NATURAL RESOURCES DEPARTMENT.
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LIDELL WALKER PRELIM HUTTO, TEXAS		<p>BGE INC. 1100 EAST 12TH STREET SUITE 100 HUTTO, TEXAS 75548 PH: 937.254.5424 FAX: 937.254.5425 WWW.BGEINC.COM</p>	NO.	DATE	DESCRIPTION
1			NO.	DATE	DESCRIPTION
2			NO.	DATE	DESCRIPTION
<p>PREPARED BY: [Signature]</p> <p>CHECKED BY: [Signature]</p> <p>DATE: 5/07/13</p>		<p>LIDELL WALKER PRELIM HUTTO, TEXAS</p> <p>PRELIMINARY PLAN (4 OF 4)</p>			

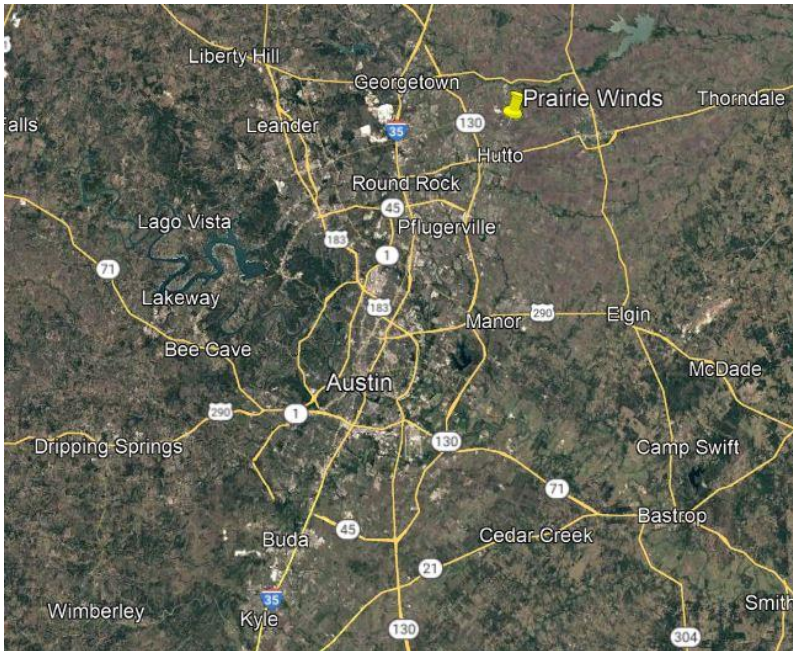
FLOOD PLAIN MAP



AERIAL PHOTOS



Micro Aerial



Macro Aerial

SUBJECT PROPERTY PHOTOGRAPHS



'Coming soon' sign



Main Hippo Dr. facing west



Main Hippo Dr. facing east



Subject property



Subject property



Subject property

HIGHEST AND BEST USE

The "**Highest and Best Use**" is defined as:

The reasonably probable use of property, that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. (The Dictionary of Real Estate Appraisal, Seventh Edition, 2022, pages 88-89, Appraisal Institute).

Highest and Best Use of Land or a Site As Though Vacant: Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, page 93, Appraisal Institute).

Highest and Best Use of Property As Improved: The use that should be made of a property as it exists. A near-complete property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the near-complete building and constructing a new one. (The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, page 94, Appraisal Institute).

The definition immediately above applies specifically to the highest and best use of land. In cases where a site has near-complete improvements, the highest and best use may be different from the near-complete use. The near-complete use will continue, however, unless or until land value in its highest and best use exceeds the total value of the property in its near-complete use.

Contribution of that specific use to community environment or to community development goals is implied within these definitions, in addition to wealth maximization. Also implied is that determination of the highest and best use is formulation of an opinion, not a fact, resulting from the appraiser's judgment and analysis. In appraisal practice, the concept of highest and best use is the premise on which value is based. In the context of most probable selling price (market value), another appropriate term to reflect highest and best use would be "most probable use." In the current context of investment value, an alternative term would be "most profitable use".

In order to reasonably determine the highest and best use of the subject 280 under-development lots, the legally permissible uses, physically possible uses, financially feasible uses and the maximally productive use are considered.

LEGALLY PERMISSIBLE

Zoning/Restrictions: Zoning regulations, deed restrictions, adverse easements, historical districts, building codes, and environmental regulations often limit the potential uses of a property. The subject lots are zoned SF-1 Village by the City of Hutto, which is considered a legally conforming use. The subject lots are also assumed to be deed restricted, and we are unaware of any adverse deed restrictions which would preclude development to the subject lots' highest and best use.

PHYSICALLY POSSIBLE

Site size, shape, topography, location, and the availability of utilities are generally held as the most important factors in determining uses by which land may be developed. Some small sites, because of their limited size, can only reach their optimum use as part of an assemblage with adjacent tracts. Conversely, larger sites are not restricted by size, allowing for a wider range of possible uses.

Given the subject subdivision location in the suburban Hutto market area, the subject lots are designed and engineered for the construction of lower-move-up production SFRs. The proposed lower-move-up priced production residential usage is considered to be the most physically possible use for the 280 under development lots (45', 50' & 60').

The subject development subdivision lots can accommodate a variety of uses. However, in light of the existing single-family lots within the subject's Hutto market area, the construction of lower-move-up, detached single-family residences on the existing SFR lots is concluded to be most physically appropriate.

FINANCIALLY FEASIBLE

The appraisers have referenced the Zonda Austin Metrostudy, 3rd Quarter 2024. The following chart summarizes the vital statistics for the subject's submarket, and the overall Austin region.

Zonda Austin Metrostudy 3Q 2024								% Change
Submarket/ Market Area		3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	Yrly. Rates/ Supply	12 Month
Hutto Market Area	Starts	330	268	250	254	169	941	-48.79%
	Closings	348	190	549	387	176	1,302	-49.43%
	Housing Inv.	795	873	574	441	434	4.0 mos.	-45.41%
	VDL Inv.	1,349	1,191	1,017	912	1,685	21.49 mos.	24.91%
Austin Total	Starts	4,477	3,862	4,388	4,945	3,806	17,001	-14.99%
	Closings	4,677	3,867	4,919	5,426	4,919	19,131	5.17%
	Housing Inv.	14,598	14,607	14,077	13,597	12,487	7.83 mos.	-14.46%
	VDL Inv.	33,591	32,132	30,132	29,349	30,919	21.82 mos.	-7.95%

For the 3rd Quarter 2024, the overall Hutto Market Area had 169 starts (a 48.79% decrease since 3rd Quarter 2023) and 1,302 closings (a 49.43% decrease since 3rd Quarter 2023). The result is a new home inventory of 434 units, or a 4.0-month supply, which is superior to the 7.83-month supply for the overall Austin new home market. At the time of this Zonda Austin Metrostudy report, there was a total inventory of 1,685 vacant developed lots in the Hutto Market Area. This equates to a 21.49-month **stable supply**, which is similar to the 21.82-month stable supply for the overall Austin region. Again, a 20-to-24-month supply of lots is considered to be a market in equilibrium.

MAXIMALLY PRODUCTIVE HIGHEST & BEST USE CONCLUSION

Based on our analyses of the legally permissible, physically possible and financially feasible uses for the 280 under development subject lots in Prairie Winds PID IA #1, we conclude that their maximally productive use, and therefore, their highest and best use, is as follows:

- **Highest & Best Use of Lots:** Lot completion and construction of starter to lower move-up single-family detached residential homes, as demand and market conditions warrant with a price point from \$320,000 to \$460,000 by Meritage Homes and Trophy Homes or comparable builder/s.

SALES COMPARISON APPROACH – RETAIL LOT VALUATION

The Sales Comparison Approach is “The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.” (The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, 2022, p. 170).

The rationale for this approach, based on the principle of substitution, is that a probable purchaser would not be justified in paying more for an individual retail lot than the cost of acquiring a substitute property of similar utility and characteristics, as that of the typical subject lot.

Again, knowledgeable individuals active in the area, which include real estate brokers, principals, developers, and builders were consulted for information that would aid in the investigation. All of the data presented was confirmed for accuracy. On the following pages are details concerning the comparable takedown and bulk lot sales that have been used for the establishment of the subject's typical or base Builder Retail Lot Value conclusion.

LOT SALE NUMBER ONE

Subdivision Name: Santa Rita Ranch, Phase 5, Section 4B
 Mapsco Reference: 252 Z
 Location: Along the south line of Tower Road, at Morningdale Drive, in the ETJ of Liberty Hill, Williamson County, Texas 78642.
 Lot Sales Data:

	Avg	Base Lot	Esc Lot	Total	Total	Sales
<u>Lots</u>	<u>FF</u>	<u>Price</u>	<u>Charge</u>	<u>Lot Price</u>	<u>Price PFF</u>	<u>Date</u>
36	40'	\$85,880	N/A	\$85,880	\$2,147	7/11/2024
36	45'	\$96,615	N/A	\$96,615	\$2,147	7/11/2024

Grantor: Santa Rita KC, LLC
 Grantee: Pulte Homes
 New Home Price Range: \$300,000 - \$375,000
 Financing: Cash to seller
 Utilities: All available
 School District: Liberty Hill ISD
 Zoning: None; Residential
 Restrictions: Typical Deed Restrictions
 Floodplain: None
 Confirmation: Mr. Eric Brownsberger with Platform Ventures

Comments: In addition, there are builder lot fees of \$17,000 per lot.

LOT SALE NUMBER TWO

Subdivision Name: Santa Rita Ranch, Phase 6, Section 1
 Mapsco Reference: 252 Z
 Location: Along the south line of Tower Road, at Morningdale Drive, in the ETJ of Liberty Hill, Williamson County, Texas 78642.
 Lot Sales Data:

<u>Lots</u>	<u>Avg FF</u>	<u>Base Lot Price</u>	<u>Esc Lot Charge</u>	<u>Total Lot Price</u>	<u>Total Price PFF</u>	<u>Sales Date</u>
40	45'	\$96,615	N/A	\$96,615	\$2,147	7/12/2024

Grantor: Santa Rita KC, LLC
 Grantee: Scott Felder Homes
 New Home Price Range: \$325,000 - \$375,000
 Financing: Cash to seller
 Utilities: All available
 School District: Liberty Hill ISD
 Zoning: None; Residential
 Restrictions: Typical Deed Restrictions
 Floodplain: None
 Confirmation: Mr. Eric Brownsberger with Platform Ventures

Comments: In addition, there are builder lot fees of \$17,000 per lot.

LOT SALE NUMBER THREE

Subdivision: Santa Rita Ranch, Phase 6, Section 2
 Mapsco Reference: 252 Z
 Location: Along the south line of Tower Road, at Morningdale Drive, in the ETJ of Liberty Hill, Williamson County, Texas 78642.
 Lot Sales Data:

<u>Lots</u>	<u>Avg FF</u>	<u>Base Lot Price</u>	<u>Esc Lot Charge</u>	<u>Total Lot Price</u>	<u>Total Price PFF</u>	<u>Sales Date</u>
30	60"	\$134,400	N/A	\$134,400	\$2,240	8/2/2024

Grantor: Santa Rita KC, LLC
 Grantee: Westin Homes
 New Home Price Range: \$400,000 - \$500,000
 Financing: Cash to seller
 Utilities: All available
 School District: Liberty Hill ISD
 Zoning: None; Residential
 Restrictions: Typical Deed Restrictions
 Floodplain: None
 Confirmation: Mr. Eric Brownsberger with Platform Ventures

Comments: In addition, there are builder lot fees of \$17,000 per lot.

LOT SALE NUMBER FOUR

Subdivision Name: Flora, Phase 1A
 Mapsco Reference: 285-V
 Location: Along the east line of F.M. 133, and the north line of Flora Boulevard, just south of F.M. 394, in Hutto, Williamson County, Texas 78634.

Lot Sales Data:

<u>Lots</u>	<u>Avg FF</u>	<u>Base Lot Price</u>	<u>Esc Lot Charge</u>	<u>Total Lot Price</u>	<u>Total Price PFF</u>	<u>Sales Date</u>
20	40'	\$72,000	N/A	\$72,000	\$1,800	10/11/2024

Grantor: Hutto 525 Development Partners, LP

Grantee: Meritage Homes

New Home Price Range: \$347,990 - \$416,990

Financing: Cash to seller

Utilities: All available

School District: Hutto ISD

Zoning: None, ETJ

Restrictions: Typical Deed Restrictions

Floodplain: None

Confirmation: Builder & Clerk's File 2024-081558

Comments: This is the initial takedown of 20 of the 70, 40' lots the builder is committed to. In addition, Meritage Homes has contractually agreed to pay builder fees totaling \$2,000 per lot, an annual escalator of 7%.

LOT SALE NUMBER FIVE

Subdivision Name: Highland Village, Phase 2

Mapsco Map Reference: 194-P

Location: Along the south line of Ronald Reagan Boulevard at Highland Village Drive, in Georgetown, Williamson County, Texas 78633.

Grantor: Sitterle Homes.

Grantee: McGuyer Land & DFH Coventry Homes

New Home Price Range: \$500,000 - \$695,000

Lot Sales Data:

<u>Lots</u>	<u>Avg FF</u>	<u>Base Lot Price</u>	<u>Esc Lot Charge</u>	<u>Total Lot Price</u>	<u>Total Price PFF</u>	<u>Sales Date</u>
13	45'	\$83,250	N/A	\$83,250	\$1,850	5/21/2024
5	50'	\$92,500	N/A	\$92,500	\$1,850	5/21/2024
22	55'	\$101,750	N/A	\$101,750	\$1,850	5/21/2024
4	60'	\$111,000	N/A	\$111,000	\$1,850	5/21/2024

Financing: Cash to seller

Utilities: All available

School District: Georgetown I.S.D.

Zoning: RS-Residential Single Family, City of Georgetown

Restrictions: None adverse known.

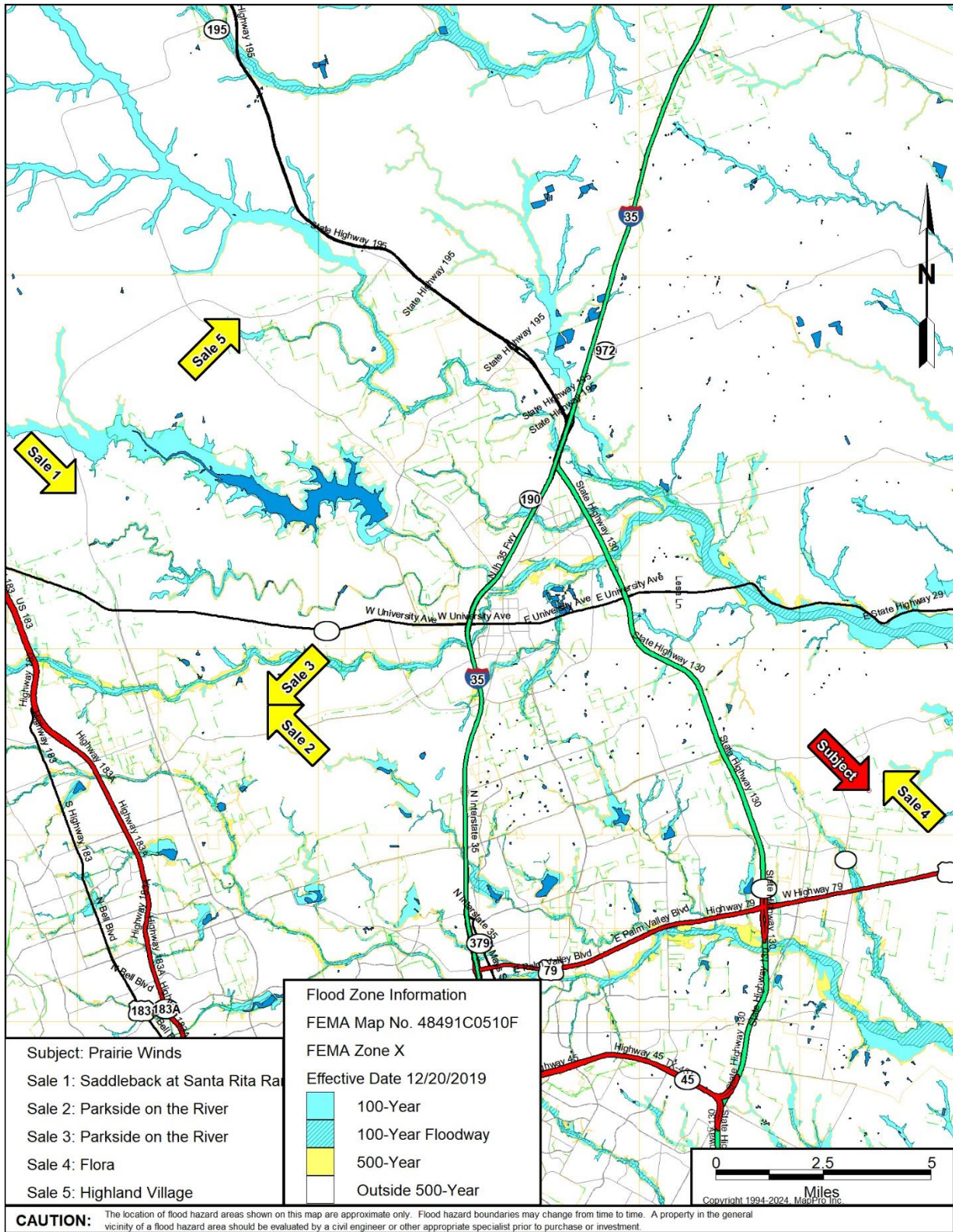
Floodplain: None

Confirmation: Builder/Lot Purchase Contract

Clerk's File No.: 2024-040743 & 2024-041065

Comments: This is the bulk sale of 44 lots to McGuyer Land and DFH Coventry Homes. The purchase price includes the \$1,500 per lot amenity fee.

LOCATION MAP OF SALES COMPARABLES



BUILDER LOT SALES ANALYSES

The Builder Lot Sales illustrated on the preceding pages are considered to be representative of the best available data for comparison to the subject lots, and are summarized on the following chart:

Builder Lot Sales Summary							
Lot Sale	Sale Date	Subdivision	Sale Type	Description	Lot Size	Price PFF	Lot Price
1	7/11/2024	Santa Rita Ranch	Bulk	72 Lots	40' & 45'	\$2,147	\$85,880 & \$96,615
2	7/12/2024	Santa Rita Ranch	Bulk	40 Lots	45'	\$2,147	\$96,615
3	8/2/2024	Santa Rita Ranch	Bulk	30 Lots	60'	\$2,240	\$134,400
4	10/11/2024	Flora, Phase 1A	Takedown	20 Lots	40'	\$1,800	\$72,000
5	5/21/2024	Highland Village, Ph. 2	Bulk	44 Lots	45' - 60'	\$1,850	\$83,250 - \$111,000

The market data was first analyzed to determine the best unit of comparison, and the features inherent to a given property causing a property's sale price to vary relative to another property. Sales comparison was then used to estimate representative and reasonable measures for adjustment factors or differences between the comparable sales and subject residential lots. The best units of comparison for the lot sales are the total sales price per lot, the price per square foot, or the price per front foot. Of these various units of comparison, it was determined that the price per front foot was the most applicable, because in this market segment, the prices per front foot were considered most reflective of the various differences associated with such lot sales. The categories found to be prevalent for analysis were cumulative adjustments such as Financing (cash equivalent consideration), Conditions of Sale (motivation), and Time (sale date); and additive market related conditions adjustments such as Location, Lot Size, and Other Property Characteristics (physical). Adjustments are made on a cumulative basis for the first three categories listed, and then on an additive basis on the remaining categories.

CUMULATIVE ADJUSTMENTS

Market Conditions: Lot prices have been increasing in the subject market area at 5% to 10% per annum. As such, the appraisers assumed a **6.0% per annum** adjustment, which is reasonable for the subject locale.

Financing/Cash Equivalent Considerations: Prior to adjusting for various categories applicable in the adjustment grid, each sale was reviewed with respect to financing terms and supplemental acquisition costs. When favorable financing occurred, the sale was adjusted to reflect the cash equivalent price in terms of U.S. dollars that the seller actually received. Generally cash equivalency is arrived at by applying present value factors to the stream of income generated by the seller offering favorable financing. All monies are brought back to the present value if the seller were to sell for cash or cash equivalency. No considerations for financing were required in this analysis.

Conditions of Sale: This category, as well as the previous two categories, is related to motivation of the parties in the transaction to agree on the sales price at the date of sale. The conditions and reasons for a sale are factors, which can have a direct impact on the sales price. Buyers and sellers motivation for acquisition or disposition of a property can cause large differences in the actual sales price versus market value. Extraction of an appropriate adjustment for special sales conditions is generally difficult to ascertain. Pairing of sales is typically the best method in establishing an adjustment. However, when sales are scarce and/or significant differences in the properties are evident, additional considerations must be reviewed. Such considerations typically relate to additional information provided by the buyer and/or seller, which may be difficult to measure, but must be considered, analyzed, and reasonably adjusted. Due to holding costs, bulk lot takedowns which are significantly larger or smaller in lot totals will typically reflect discounted or higher lot sale prices, respectively. No adjustments were warranted for Lot Sales 2 and 3, as they are considered typical takedowns. Lot Sales 1 -3 and 5 have been adjusted upward 12%, 5%, 5%, and 5%, respectively, for their larger lot quantity compared to a typical takedown. Lot Sale 4 has been adjusted upward 7% for its slightly larger lot count compared to a typical takedown, and that according to two market participants in the Hutto market area (lot developers), the lot pricing was kept low to get traction and spur activity in the community. Therefore, Lot Sale 4 has been adjusted upward 7%

ADDITIVE ADJUSTMENTS

Location: Lot Sales 1 thru 3, have been adjusted downward 10% for superior location, due to a higher price point of housing and access to commercial support facilities. Lot Sales 4 and 5 are considered generally similar and have not been adjusted for this element of comparison.

Lot Size: Based upon the per front foot methodology utilized, only significant differences in lot frontages will typically warrant an adjustment. The subject and the lot sales have similar lot frontages of 40' to 60' and no adjustments were warranted.

Amenities: Lots Sales 1 thru 3, are considered superior with master-planned amenities compared to the subject and have been adjusted downward -5% each. Lot Sales 4 and 5 are considered generally similar to the subject property and have not been adjusted for this element of comparison.

LOT SALES ADJUSTMENT GRID

The following Lot Sales Adjustment Grid illustrates the adjustments that were extracted and applied in the analysis of the subject lots.

Lot Sales Adjustment Grid						
Market Data	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Sale Price PFF	-	\$2,147	\$2,147	\$2,240	\$1,800	\$1,850
Sales Date	12/31/2024	7/11/2024	7/12/2024	8/2/2024	10/11/2024	5/21/2024
Adjustment	-	2.5%	2.5%	2.0%	1.3%	3.5%
Adjusted Sales Price PFF		\$2,201	\$2,201	\$2,285	\$1,823	\$1,915
Financing	CTS	CTS	CTS	CTS	CTS	CTS
Adjustment	-	0%	0%	0%	0%	0%
Adjusted Sales Price PFF		\$2,201	\$2,201	\$2,285	\$1,823	\$1,915
Conditions of Sale	Typical	72 Lots	40 Lots	30 Lots	20 Lots	44 Lots
Adjustment	Takedown	12%	5%	5%	7%	5%
Adjusted Sale Price PFF	-	\$2,465	\$2,311	\$2,399	\$1,951	\$2,010
Builder	-	Pulte Homes	Scott Felder Homes	Westin Homes	Meritage Homes	Coventry Homes
Location	Prairie Winds, Ph. 1 & Ph. 2	Santa Rita Ranch	Santa Rita Ranch	Santa Rita Ranch	Flora, Phase 1A	Highland Village, Ph. 2
Adjustment	-	-10%	-10%	-10%	0%	0%
Lot Size	45', 50' & 60'	40' & 45'	45'	60'	40'	45' - 60'
Adjustment	-	0%	0%	0%	0%	0%
Amenities	Typical for area	Superior	Superior	Superior	Similar	Similar
Adjustment	-	-5%	-5%	-5%	0%	0%
Net Adjustment	-	-15%	-15%	-15%	0%	0%
Adjusted Sale Price PFF	-	\$2,095	\$1,964	\$2,039	\$1,951	\$2,010
Indicated Mean:	\$2,012					
Indicated Median:	\$2,010					
Concluded Value PFF:	\$2,015					

Conclusion of Base Retail Lot Value

The lot sales used in this analysis are of typical base lot sales to which lot adjustments, due to premiums (if applicable) and applicable fees, will be applied to conclude an adjusted value PFF. Accordingly, the appraisers derived the following statistical parameters and the Base Retail Lot Value PFF.

Statistical Benchmarks	
Lowest	\$1,951
Mean	\$2,012
Median	\$2,010
Highest	\$2,095
Concluded Value PFF:	\$2,015

The builder lot sales used in this analysis exhibit an adjusted price per front foot of \$1,951 to \$2,095 PFF, with a mean of \$2,012 PFF and a median of \$2,010 PFF. Based on the preceding analysis, with consideration given to all comparable lot sales, the statistical benchmarks noted above, and the highest and best use of the subject and comparable lot sales; a typical subject lot is concluded to have an individual Builder Retail Market Value of **\$2,015 PFF, or \$120,900 per 60' lot, as of December 31, 2024**, for the under-development lots in Phase 1, an adjustment for time is based on a 6% annual rate of escalation; therefore, the Phase 2 under-development lots are concluded to have individual Builder Retail Market Value of **\$2,045 PFF, or \$92,025 per 45' lot and \$102,250 per 50' lot, as of March 31, 2025**.

LOT PREMIUMS AND FEES

N/A

PHASE 1 "UPON COMPLETION" RETAIL MARKET VALUE

Thus, the Sum of the Retail Lot Values – "Upon Completion" can be summarized as follows:

Sum of the Retail Values - "Upon Completion"						
Prairie Winds, Phase 1						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues	
					\$ Total (R)	\$ / Lot
86	60'	\$2,015	\$120,900	\$10,397,400	\$10,397,400	\$120,900

PHASE 2 "UPON COMPLETION" RETAIL MARKET VALUE

Sum of the Retail Values - "Upon Completion"						
Prairie Winds, Phase 2						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues	
					\$ Total	\$ / Lot
140	45'	\$2,045	\$92,025	\$12,883,500	\$12,883,500	\$92,025
54	50'	\$2,045	\$102,250	\$5,521,500	\$5,521,500	\$102,250
194					\$18,405,000	\$94,871

INCOME APPROACH - DISCOUNTED BULK MARKET VALUE ANALYSIS

The Bulk Market Value for the subject lots, or sold collectively to a single purchaser, is determined by discounting the net sales proceeds of the aggregate gross builder retail lot revenue arrived at previously. The discounting is necessary to reflect the absorption period, required yield, and related expenses incurred during the sell-out term. The following is a discussion of each of these categories and the assumptions applicable thereto:

ABSORPTION ANALYSIS

To determine the rates at which the subject single-family lots will be absorbed into the market, we have analyzed the recent absorption of lots in the following competing subdivisions in the vicinity of the subject.

Zonda Austin Metrostudy 3Q 2024									
Subdivision / Product (\$1,000)		4Q 2023	1Q 2024	2Q 2024	3Q 2024	Past 4 Qtrs Total Absorb	Avg Absorb Per Qtr	No. of Builders	Avg Absorb Per Bldr/Qtr
Emory Crossing - Taylor Morrison 40' - 60' Lots \$332 - \$499	Starts	18	12	53	36	119	29.8	1	29.8
	Closings	7	48	32	28	115	28.8		28.8
	VDL	267	255	202	166				
Cottonwood Farms - Ashton Woods 40' Lots \$339 - \$408	Starts	16	19	0	0	35	8.8	1	8.8
	Closings	9	68	37	1	115	28.8		28.8
	VDL	19	0	0	0				
Southgate - D.R. Horton 50' Lots \$356 - \$416	Starts	51	32	2	0	85	21.3	1	21.3
	Closings	14	65	71	6	156	39.0		39.0
	VDL	34	2	0	0				
Cotton Brook - Lennar Homes 40' Lots \$305 - \$403	Starts	38	2	0	0	40	10.0	1	10.0
	Closings	66	53	9	4	132	33.0		33.0
	VDL	8	6	6	148				
Durango Farms - Meritage Homes 60' Lots \$332 - \$473	Starts	16	11	0	0	27	6.8	1	6.8
	Closings	2	39	16	6	63	15.8		15.8
	VDL	11	0	0	0				
Highlands North - Ashton Woods, Brightland Homes, & Meritage 60' Lots \$346 - \$630	Starts	50	39	0	0	89	22.3	3	7.4
	Closings	26	72	57	13	168	42.0		14.0
	VDL	39	0	0	0				
		Average Absorption Per Quarter Over Past 4 Quarters		Starts	Minimum: Average: Maximum:		6.8 16.5 29.8		6.8 14.0 29.8
				Closings	Minimum: Average: Maximum:		15.8 31.2 42.0		14.0 26.5 39.0

These absorption comparables indicate quarterly absorption of 6.8 to 29.8 lots, with an average of 14.0 starts per quarter per builder and 14.0 to 39.0 lots, with an average of 26.50 closings per quarter per builder. The comparable subdivisions include a variety of builders and offer lot sizes which are generally similar to those of the subject lots, and new home pricing ranging from \$305,000 up to \$630,000.

All of the absorption comparables noted above are good indicators of absorption given their location and price point compared to the subject property. Given the high level of interest rates, but considering the builder rate buydowns, and the potential impact on home sales, an absorption rate of **30 lots per quarter** is supported. Per Mr. Austin Evetts with Green Brick Partners, the projected absorption is 24 units per month, or 72 lots per quarter.

YIELD RATE / IRR ANALYSIS

We referenced the developer's survey conducted by RealtyRates.com for the 3rd Quarter 2024 (2nd quarter 2024 data).

RealtyRates.com DEVELOPER SURVEY - 3rd Quarter 2024*						
Texas - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.70%	34.04%	23.08%	15.07%	32.67%	22.15%
-100 Units	15.70%	29.34%	22.07%	15.07%	28.17%	21.19%
100-500 Units	16.09%	32.27%	23.22%	15.45%	30.98%	22.29%
500+ Units	16.48%	33.74%	23.61%	15.83%	32.39%	22.66%
Mixed Use	16.88%	34.04%	23.42%	16.20%	32.67%	22.48%
Manufactured Housing	16.18%	37.13%	24.73%	15.54%	35.64%	23.74%
-100 Units	16.18%	32.29%	23.75%	15.54%	31.00%	22.80%
100-500 Units	16.59%	35.52%	25.01%	15.92%	34.09%	24.01%
500+ Units	16.99%	37.13%	25.44%	16.31%	35.64%	24.42%
Business Parks	16.14%	34.56%	23.55%	15.50%	33.17%	22.61%
-100 Acres	16.14%	30.05%	22.63%	15.50%	28.85%	21.73%
100-500 Acres	16.55%	33.05%	23.81%	15.89%	31.73%	22.86%
500+ Acres	16.95%	34.56%	24.21%	16.27%	33.17%	23.24%
Industrial Parks	16.23%	30.01%	21.54%	15.58%	28.81%	20.68%
-100 Acres	16.23%	26.10%	20.74%	15.58%	25.05%	19.91%
100-500 Acres	16.64%	28.71%	21.76%	15.97%	27.56%	20.89%
500+ Acres	17.04%	30.01%	22.12%	16.36%	28.81%	21.23%

*2nd Quarter 2024 Data

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Within the RealtyRates.com survey, developers and builders reported modeling pro-forma internal rates of return ranging from 15.45% to 22.29%, with an average of 22.29% for site-built residential 100-500 units. The developers and builders reported actual rates

ranging from 16.09% to 32.27%, with an average of 23.22%. The above chart reflects surveyed rates for complete subdivision developments – from vacant land to lot development, to home construction, to home sellout. By contrast, the subject of this analysis represents under-development lots. Therefore, entitlement and land development risk have occurred. Home construction, marketing, and home sales risk remain to be incurred. Based on the availability of alternative investment yields and considering the relative risk of the subject residential development investment; it is the appraiser's opinion that an overall **IRR of 17.0%** is reasonable for the subject lots. inclusive of profit.

DISCOUNTED CASH FLOW ASSUMPTIONS

Sum of the Retail Values: The Sum of the Builder Retail Values for the cash flows are predicated on a beginning lot value, previously concluded as follows:

Sum of the Retail Values - "Upon Completion"						
Prairie Winds, Phase 1						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues	
					\$ Total	\$ / Lot
86	60'	\$2,015	\$120,900	\$10,397,400	\$10,397,400	\$120,900

Sum of the Retail Values - "Upon Completion"						
Prairie Winds, Phase 2						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues	
					\$ Total	\$ / Lot
140	45'	\$2,045	\$92,025	\$12,883,500	\$12,883,500	\$92,025
54	50'	\$2,045	\$102,250	\$5,521,500	\$5,521,500	\$102,250
194					\$18,405,000	\$94,871

Absorption Period: The appraisers previously concluded that the projected lot absorption be 30 lots per quarter for the SFR product.

Sales Price Escalation: Per current market trends and market participants active in the subject's market area and greater Austin MSA, the subject lot prices are projected to escalate at an annual rate equal to 6.0% per year, **or 1.50% per quarter**, beginning in the 1st period.

Beginning Lot Inventory: The Beginning Lot Inventory is the total number of lots in inventory on the first day of each quarterly period.

Lot Sales Per Period: The Lots Sales per Period is the total number of lots sold or absorbed during each quarterly period.

Ending Lot Inventory: The Ending Inventory is the total number of lots in inventory on the last day of each quarterly period.

Average Lots Held Per Period: The Average Lots Held per Period is the average of Beginning Lot Inventory and Ending Lot Inventory.

Starting Inventory (Dollars): The Starting Inventory is expressed in terms of dollars by multiplying the Average Lot Value by the Beginning Lot Inventory and is a carry-over of the Ending Inventory balance.

Average Inventory Held (Dollars): The Average Inventory Held in Dollars is the average of the Starting Inventory (dollars) and the Ending Inventory (dollars).

Ending Inventory (Dollars): The Ending Inventory is expressed in terms of dollars by subtracting the periodic Sales (dollars) from the Starting Lot Inventory (dollars).

Lot Sales Income: The Total Quarterly Sales are the revenue generated during the period, before sales expense deductions.

SALES EXPENSES

Marketing/Closing Costs: The marketing expense is typically carried by the lot developer; however, in submarkets in which the lot supply is at shortage levels and in quality developments, the marketing expense can and is occasionally passed through to the builders. In the case of the subject, the marketing expense is based on **1.0%** of lot

sales, beginning in Period 0. Please note that the marketing expense is combined with commissions and closing costs expenses below.

Typical lot takedown contracts call for the developer to pay commissions and part or all of the closing costs. Thus, real estate commissions and closing costs are typical carrying expenses. The commissions/closing costs expense is based on **4.0% of the periodic sales**. This item is considered to be sufficient to cover broker commissions at 3.0%, plus 1.0% closing costs. Brokerage fees for this type of transaction typically range from 2% to 4%, due to the repetitive nature of lot takedown contracts. Closing costs also vary, but typically total 0.5% to 1.5% of the sales price of the lots. Again, the marketing expense of 1.0% is combined with the commissions and closing costs category. Thus, **total marketing/closing costs equate to 5.0% of periodic sales**, beginning in Period 0.

Taxes: We utilized a property tax rate of **\$2.1604** per \$100 in the cash flow. Estimated property taxes are based upon the average lot inventory (retail value) held per period, multiplied by **75%**, multiplied by the projected current tax rate noted above, and divided by 4 to reflect quarterly taxes, beginning in the 1st period.

Administrative Expense: This category reflects incidental expenses including bank charges, accounting and legal fees, office expenses, etc., which are typically incurred by the developer throughout the holding period. These expenses are often relatively minor; thus, we have projected this expense at **0.5% of periodic sales**, beginning in Period 0.

Homeowner's Association Fees: The HOA expense is calculated based on the average inventory held (Lots) by the developer multiplied by the quarterly HOA fee to reflect quarterly HOA fees. HOA fees within IA #1 of the Prairie Winds PID are projected to be \$600. While the builder is responsible for subsidizing the development HOA for inventory lots, the builder is typically only responsible for about 50% of the standard homeowner HOA fee. For the purposes of this analysis, we assume that the builder will be responsible for an HOA fee of \$300 per lot per year on inventory lots, or **\$75.00 per lot held per quarter**.

DISCOUNTED CASH FLOW ANALYSES

The discounted cash flow analyses for the under-development subject lots are presented on the following pages.

Discounted Cash Flow Analysis			
Bulk Market Value "Upon Completion"			
Prairie Winds, Phase 1		Date of Value	
TOTAL NO. OF LOTS:	86	December 31, 2024	
AVERAGE INDIVIDUAL LOT VALUE:	\$120,900		
GROSS RETAIL VALUE:	\$10,397,400		
ABSORPTION PERIOD:	2 QUARTERS		
ANNUAL YIELD/IRR:	17.0%		
EFFECTIVE TAX RATE/\$100:	\$2.1604	\$2.1604	\$2.1604
AVG. HOA DUES per LOT (\$300.00/Yr.)	\$75.00	\$75.00	\$75.00
QUARTERLY PERIOD:	0	1	2
STARTING LOT INVENTORY:	86.0	56.0	26.0
LOT SALES/PERIOD:	30.0	30.0	26.0
ENDING LOT INVENTORY:	56.0	26.0	0.0
AVG. LOTS HELD/PERIOD:	71.0	41.0	13.0
SALES APPRECIATION:	0.00%	1.50%	1.50%
STARTING INVENTORY (Dollars):	\$10,397,400	\$6,871,956	\$3,238,409
AVG. LOT VALUE:	\$120,900	\$122,714	\$124,554
AVG. INVENTORY HELD:	\$8,583,900	\$5,031,254	\$1,619,205
ENDING INVENTORY:	<u>\$6,770,400</u>	<u>\$3,190,551</u>	<u>\$0</u>
QUARTERLY SALES:	\$3,627,000	\$3,681,405	\$3,238,409
LESS EXPENSES:			
a) MARKETING/CLOSING (5.0%)	\$181,350	\$184,070	\$161,920
b) TAXES/AVG. INV. HELD (@ 75%)	\$0	\$20,381	\$6,559
c) ADMINISTRATIVE @ 0.5%:	\$18,135	\$18,407	\$16,192
d) HOA DUES per QUARTER:	\$0	\$3,075	\$975
TOTAL EXPENSES:	<u>\$199,485</u>	<u>\$225,933</u>	<u>\$185,647</u>
NET SALES INCOME:	\$3,427,515	\$3,455,472	\$3,052,763
QUARTERLY YIELD/IRR:			
FACTOR @ 17.0%	<u>1.000000</u>	<u>0.959233</u>	<u>0.920127</u>
DISCOUNTED SALES:	\$3,427,515	\$3,314,602	\$2,808,930
	\$9,551,047		
ROUNDED TO:	<u>\$9,550,000</u>	-8.2% Discount Margin	
VALUE PER LOT:	<u>\$111,047</u>		

Discounted Cash Flow Analysis								
Bulk Market Value "Upon Completion"								
Prairie Winds, Phase 2		Date of Value						
TOTAL NO. OF LOTS:	194	March 31, 2025						
AVERAGE INDIVIDUAL LOT VALUE:	\$94,871							
GROSS RETAIL VALUE:	\$18,405,000							
ABSORPTION PERIOD:	6 QUARTERS							
ANNUAL YIELD/IRR:	17.0%							
EFFECTIVE TAX RATE/\$100:	\$2.1604	\$2.1604	\$2.1604	\$2.1604	\$2.1604	\$2.1604	\$2.1604	\$2.1604
AVG. HOA DUES per LOT (\$300.00/Yr.)	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00
QUARTERLY PERIOD:	0	1	2	3	4	5	6	
STARTING LOT INVENTORY:	194.0	164.0	134.0	104.0	74.0	44.0	14.0	
LOT SALES/PERIOD:	30.0	30.0	30.0	30.0	30.0	30.0	14.0	
ENDING LOT INVENTORY:	164.0	134.0	104.0	74.0	44.0	14.0	0.0	
AVG. LOTS HELD/PERIOD:	179.0	149.0	119.0	89.0	59.0	29.0	7.0	
SALES APPRECIATION:	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	
STARTING INVENTORY (Dollars):	\$18,405,000	\$15,792,249	\$13,096,974	\$10,317,288	\$7,451,265	\$4,496,939	\$1,452,307	
AVG. LOT VALUE:	\$94,871	\$96,294	\$97,739	\$99,205	\$100,693	\$102,203	\$103,736	
AVG. INVENTORY HELD:	\$16,981,933	\$14,347,836	\$11,630,895	\$8,829,218	\$5,940,873	\$2,963,891	\$726,153	
ENDING INVENTORY:	\$15,558,866	\$12,903,423	\$10,164,816	\$7,341,147	\$4,430,482	\$1,430,844	\$0	
QUARTERLY SALES:	\$2,846,134	\$2,888,826	\$2,932,158	\$2,976,141	\$3,020,783	\$3,066,095	\$1,452,307	
LESS EXPENSES:								
a) MARKETING/CLOSING (5.0%)	\$142,307	\$144,441	\$146,608	\$148,807	\$151,039	\$153,305	\$72,615	
b) TAXES/AVG. INV. HELD (@ 75%)	\$0	\$58,120	\$47,114	\$35,765	\$24,065	\$12,006	\$2,942	
c) ADMINISTRATIVE @ 0.5%:	\$14,231	\$14,444	\$14,661	\$14,881	\$15,104	\$15,330	\$7,262	
d) HOA DUES per QUARTER:	\$0	\$11,175	\$8,925	\$6,675	\$4,425	\$2,175	\$525	
TOTAL EXPENSES:	\$156,537	\$228,181	\$217,308	\$206,128	\$194,633	\$182,816	\$83,343	
NET SALES INCOME:	\$2,689,597	\$2,660,645	\$2,714,850	\$2,770,013	\$2,826,150	\$2,883,278	\$1,368,963	
QUARTERLY YIELD/IRR:								
FACTOR @ 17.0%	1.000000	0.959233	0.920127	0.882616	0.846634	0.812119	0.779011	
DISCOUNTED SALES:	\$2,689,597	\$2,552,178	\$2,498,008	\$2,444,858	\$2,392,715	\$2,341,565	\$1,066,438	
	\$15,985,357							
ROUNDED TO:	\$15,990,000							
VALUE PER LOT:	\$82,423							-13.1% Discount Margin

RECONCILIATION AND FINAL MARKET VALUE CONCLUSIONS

The Sales Comparison Approach was used to conclude the “Upon Completion” retail revenues of the subject residential lots. An Income Approach retail sell-out technique was then employed to derive the indicated “Upon Completion” Bulk Market Values of the subject 280 lots, comprised of under-development lots in Prairie Winds PID IA #1. The cumulative builder retail revenue of the subject lots were discounted for their projected absorption periods. A discounted cash flow analysis was used to present value the projected income streams of the subject under-development lots over their projected absorption period per section. The Income Approach procedure is generally considered to be the most valid method of estimating the bulk value of multiple builder retail lots to one individual buyer, especially if the parcels/lots involve a holding period or sell-out term and carrying costs.

At the request of the client, the “As Is” Market Value of the under-development lots have not been valued herein.

To conclude, it is our opinion that the **“Upon Completion” Bulk Market Values** of the subject lots, subject to the conditions stated herein, as of the indicated effective dates, are as follows:

Description	No. of Lots	Avg. Lot FF	Bulk Value	Effective Date
"Upon Completion" Bulk Market Value, Phase 1	86	60'	\$9,550,000	12/31/2024
"Upon Completion" Bulk Market Value, Phase 2	194	45' & 50'	\$15,990,000	3/31/2025

MARKETING & EXPOSURE PERIODS

According to participants in the regional and local residential lot market and others who have experience handling and marketing of such properties in the subject area, marketing times for properties such as the subject have been reasonably in this active submarket. Based upon our market analysis, we have projected a prospective marketing period for the subject lots single-family lots “Upon Completion” to be within 3 to 6 months. The subject property should market well at the reasonable and competitive concluded Bulk Market Values. As a result, we further estimate a historic exposure period of

approximately 3 to 6 months for the subject, based upon the market data presented herein and the reported exposure times of the comparable sales.

The use of extraordinary assumptions or hypothetical conditions might have affected assignment results.

Extraordinary Assumptions:

- 1.) The subject subdivision appraised herein is under-development, with prospective completion dates. In this Appraisal Report, we have projected market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, we have projected the retail valuation of the individual subject lots, absorption period and holding costs based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from that which are expected on the anticipated dates of completion that are reflected in this report. Because actual future market conditions may deviate from that which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sales data that will be available on the prospective date of completion.
- 2.) The valuation of the subject improvements "Upon Completion" require valuation of the various subject improvements as of the prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, we have relied upon surveys, plats and specifications for the proposed improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value estimate is subject to revision.
- 3.) This appraisal is subject to all under-development improvements being completed in a timely and professional workmanlike manner and that the proposed improvements do not deviate significantly from those described herein.
- 4.) This appraisal is subject to a final subdivision plat/s.
- 5.) This appraisal assumes that Meritage Homes and Trophy Homes, or comparable production builder/s, will build upon the under-development subject lots, detached single-family units with a projected price from \$320,000 to \$460,000.

5.) If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions: None

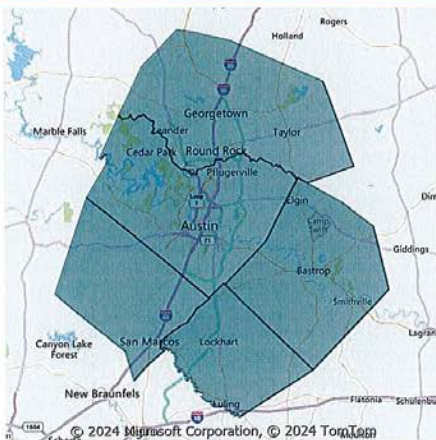
ADDENDA

AUSTIN REGIONAL DATA

Quarterly Housing Report

AUSTIN ROUND ROCK SAN MARCOS MSA

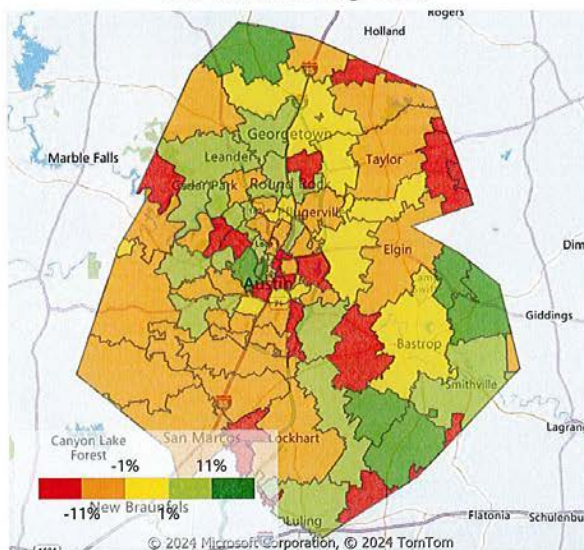
Third Quarter 2024



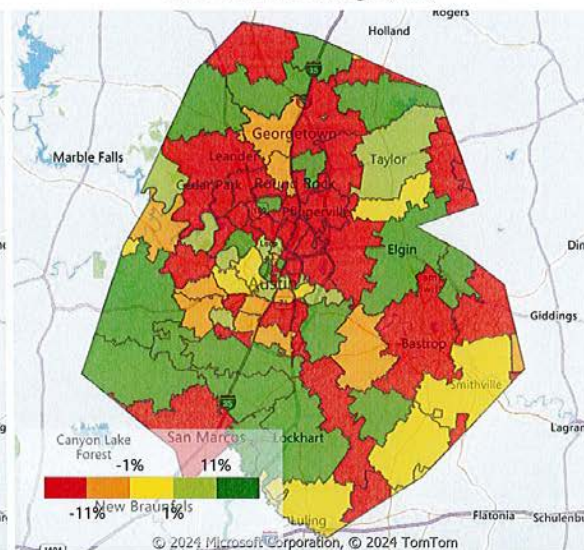
Executive Summary

- Metro area sales volume decreased 3.7% to 7,798 transactions. Median price decreased 3.8% year-over-year to \$437,925.
- 2024 Q3 months inventory for all residential properties rose 16.4% year-over-year to 4.6 months.
- Metro area residential property listings increased 15% year-over-year to 11,679 active listings.
- Single-family new construction median price decreased by 10.2% year-over-year to \$400,000.
- Single-family rental average rent decreased by 2.1% year-over-year to \$2,300.

Median Price Change (YoY)



Sales Volume Change (YoY)



About this report

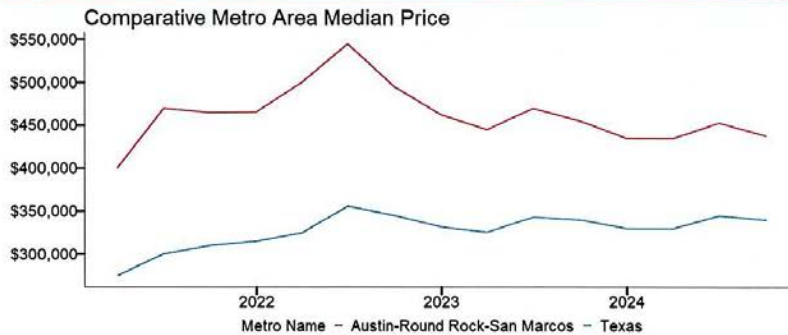
Data used in this report come from the Texas REALTOR® Data Relevance Project, a partnership among the Texas REALTORS® and local REALTOR® associations throughout the state. Analysis is provided through a research agreement with the Texas Real Estate Research Center at Texas A&M University.



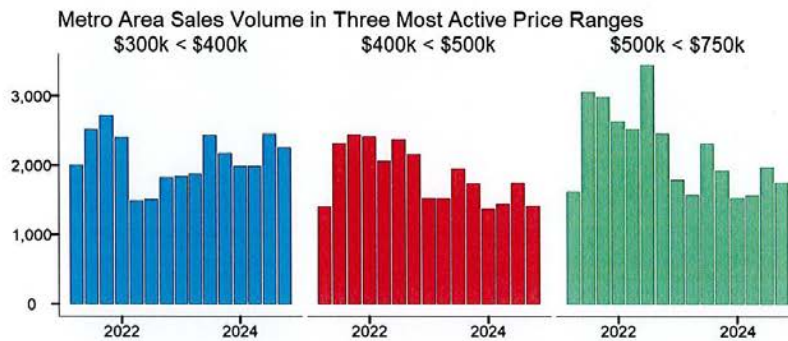
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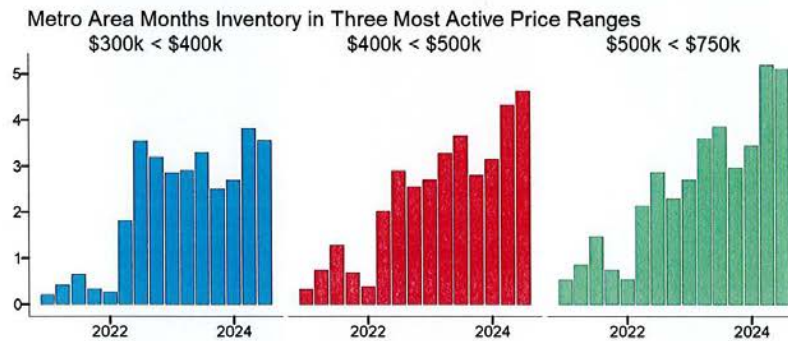
Key Market Metrics



Median price in the Austin-Round Rock-San Marcos metro decreased by approximately 3.8% year-over-year, from \$455,000 to \$437,925. Metro area price exceeded the statewide median price of \$340,000 by \$97,925.



2024 Q3 total sales volume decreased by approximately 3.7% year-over-year, from 8,093 to 7,798. Sales of homes between \$300k and \$400k rose from 2,178 to 2,254, while homes between \$500k and \$750k dipped from 1,927 to 1,754, and homes between \$400k and \$500k dipped from 1,736 to 1,419.



Metro area months inventory increased year-over-year from 3.99 to 4.64 months. Homes between \$300k and \$400k rose year-over-year, from 3.3 to 3.55 months, while homes between \$500k and \$750k rose year-over-year, from 3.86 to 5.11 months and homes between \$400k and \$500k rose year-over-year, from 3.65 to 4.63 months.



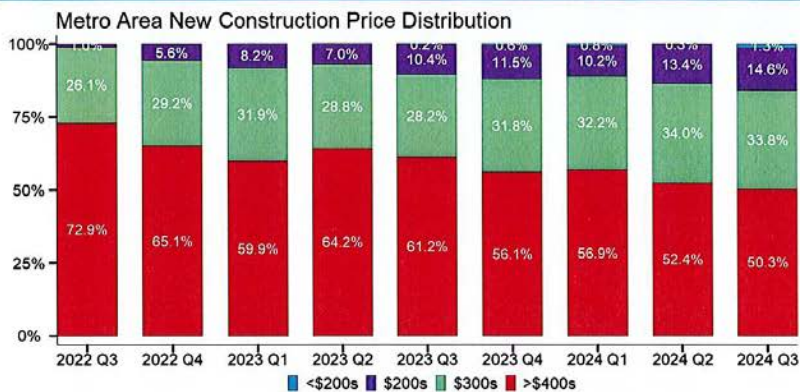
Average days to sell throughout the metro area increased from 99 to 100 days, an increase of 1% year-over-year. Average days to sell for homes between \$300k and \$400k remained stagnant compared with the same quarter last year.



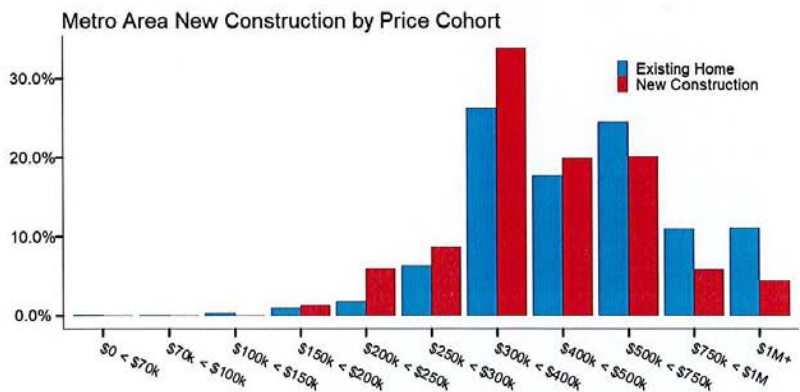
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Single-Family New Construction



Homes in the \$400s and above range fell to 50.3% of single-family new construction sales through the MLS. The second most active price range was homes in the \$300s, which grew from 28.2% to 33.8% year-over-year.



In the latest quarter, the average price was \$491,834 for new homes sold through the MLS, a decrease over last year's figure of \$546,124. Average price for existing homes was \$619,671, an increase over last year's figure of \$616,773.

Top Five Most Active Zip Codes

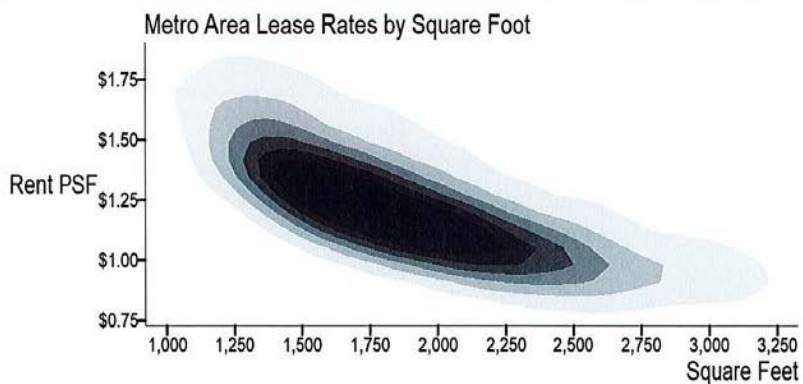
	Median Price	YoY%	Median Price PSF	YoY%	Median Square Feet
	\$312,000	-8.2%	\$179.34	-6.2%	1,747
	\$327,740	-9.0%	\$178.56	-6.8%	1,853
	\$520,000	4.0%	\$218.31	0.0%	2,480
	\$495,955	2.2%	\$212.79	-3.5%	2,441
	\$280,000	-6.0%	\$156.21	-5.6%	1,874



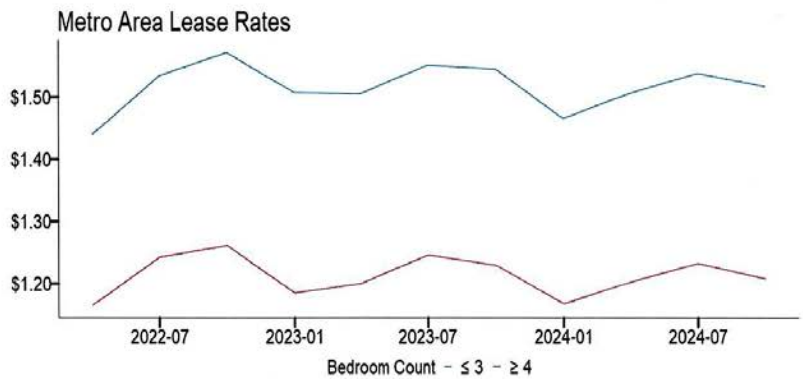
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Single-Family Rentals



Average rent per square foot for single-family properties was \$1.39, a decrease compared with last year's rental rate of \$1.42. The average home size was 1,956 square feet.



Average rent per square foot for three-bedroom single-family properties was \$1.52, a decrease compared with last year's rental rate of \$1.54. For four-bedroom single-family homes, the rental rate per square foot was \$1.21, a decrease compared with last year's rental rate of \$1.23.

Rental Metrics by Bedroom Count

Bedroom Count	Average Monthly Rent	Average Monthly Rent	Average Square Feet	Distribution
Three or less	\$2,349	\$1.52	1,624	58.5%
Four or more	\$2,924	\$1.21	2,424	41.5%
Overall	\$2,588	\$1.39	1,956	100%



Housing Metrics by County

Bastrop County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
\$0 < \$70k	1	100%	0%	***	***	***	***	0	0.0	***	***
\$70k < \$100k	0	-100%	0%	-	-	-	-	1	12.0	-	-
\$100k < \$150k	2	-33%	1%	***	***	***	***	4	6.0	***	***
\$150k < \$200k	11	-38%	3%	\$168,000	1%	\$153.06	-11%	4	1.6	1,000	1983
\$200k < \$250k	14	-30%	4%	\$227,490	-2%	\$169.69	-9%	23	3.3	1,293	2011
\$250k < \$300k	55	-26%	16%	\$285,000	2%	\$196.47	0%	74	3.6	1,409	2014
\$300k < \$400k	151	3%	43%	\$339,945	-1%	\$189.74	-5%	255	5.5	1,765	2024
\$400k < \$500k	48	-28%	14%	\$441,965	0%	\$216.87	1%	155	8.5	2,083	2023
\$500k < \$750k	52	4%	15%	\$566,640	-5%	\$229.64	-3%	144	8.3	2,472	2021
\$750k < \$1M	12	-33%	3%	\$783,500	-1%	\$274.87	22%	43	14.3	3,090	2000
\$1M+	2	0%	1%	***	***	***	***	34	45.3	***	***

*** Not displayed when fewer than five sales

Caldwell County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
\$0 < \$70k	1	100%	1%	***	***	***	***	0	0.0	***	***
\$70k < \$100k	0	-100%	0%	-	-	-	-	1	4.0	-	-
\$100k < \$150k	0	0%	0%	-	-	-	-	3	4.0	-	-
\$150k < \$200k	14	180%	8%	\$184,900	9%	\$135.29	-38%	6	2.1	1,344	2023
\$200k < \$250k	32	45%	19%	\$224,990	-3%	\$170.83	3%	14	1.7	1,360	2024
\$250k < \$300k	40	25%	24%	\$272,884	-2%	\$192.71	-2%	39	2.8	1,411	2024
\$300k < \$400k	59	37%	36%	\$333,500	3%	\$172.83	-7%	65	3.1	1,961	2024
\$400k < \$500k	9	29%	5%	\$460,000	5%	\$176.38	-20%	19	4.9	2,608	2003
\$500k < \$750k	8	0%	5%	\$565,000	-1%	\$340.05	18%	19	8.4	1,835	1997
\$750k < \$1M	2	100%	1%	***	***	***	***	15	25.7	***	***
\$1M+	1	100%	1%	***	***	***	***	4	6.0	***	***

*** Not displayed when fewer than five sales

Hays 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	0%	0%	-	-	-	-	0	0.0	-	-
\$70k < \$100k	0	-100%	0%	-	-	-	-	0	0.0	-	-
\$100k < \$150k	4	300%	0%	***	***	***	***	3	4.5	***	***
\$150k < \$200k	11	57%	1%	\$169,500	-1%	\$152.34	2%	14	4.1	1,168	1997
\$200k < \$250k	90	173%	7%	\$227,500	-1%	\$171.50	-5%	40	2.4	1,360	2024
\$250k < \$300k	179	57%	13%	\$284,661	0%	\$183.18	-6%	182	3.7	1,527	2023
\$300k < \$400k	467	6%	35%	\$339,000	-2%	\$185.35	-3%	581	3.8	1,853	2024
\$400k < \$500k	211	9%	16%	\$443,000	0%	\$200.60	-2%	318	5.0	2,196	2024
\$500k < \$750k	212	-7%	16%	\$585,000	0%	\$235.40	1%	376	5.7	2,602	2020
\$750k < \$1M	90	1%	7%	\$857,500	0%	\$283.35	3%	174	6.1	3,068	2015
\$1M+	67	20%	5%	\$1,325,000	0%	\$359.25	-3%	181	9.6	3,797	2015

*** Not displayed when fewer than five sales



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Housing Metrics by County

Travis County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
\$0 < \$70k	1	0%	0%	***	***	***	***	1	4.0	***	***
\$70k < \$100k	0	0%	0%	-	-	-	-	1	12.0	-	-
\$100k < \$150k	9	200%	0%	\$133,000	6%	\$128.56	-2%	7	3.8	1,089	1979
\$150k < \$200k	41	86%	1%	\$183,500	1%	\$279.79	20%	47	4.8	651	1983
\$200k < \$250k	71	-3%	2%	\$230,000	0%	\$299.85	0%	105	5.1	782	1984
\$250k < \$300k	175	5%	5%	\$280,000	2%	\$227.59	-11%	214	3.9	1,239	2002
\$300k < \$400k	716	5%	21%	\$351,000	-1%	\$225.14	-5%	863	3.9	1,533	2007
\$400k < \$500k	592	-23%	18%	\$443,500	0%	\$237.62	-1%	995	4.8	1,886	2010
\$500k < \$750k	854	-14%	25%	\$600,001	0%	\$287.94	0%	1,357	4.9	2,080	2005
\$750k < \$1M	382	-20%	11%	\$840,000	-1%	\$323.37	-3%	667	5.2	2,546	2004
\$1M+	513	-6%	15%	\$1,450,000	4%	\$471.72	-2%	1,306	8.0	3,354	2006

*** Not displayed when fewer than five sales

Williamson 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	0%	0%	-	-	-	-	0	0.0	-	-
\$70k < \$100k	1	100%	0%	***	***	***	***	1	6.0	***	***
\$100k < \$150k	3	-25%	0%	***	***	***	***	1	0.9	***	***
\$150k < \$200k	34	240%	1%	\$185,000	4%	\$139.70	-18%	10	1.7	1,200	2024
\$200k < \$250k	82	100%	3%	\$225,000	-4%	\$161.36	-3%	46	2.1	1,411	2024
\$250k < \$300k	154	11%	6%	\$282,995	1%	\$189.46	-2%	173	3.2	1,473	2017
\$300k < \$400k	861	0%	33%	\$354,695	0%	\$203.67	-4%	808	2.9	1,724	2015
\$400k < \$500k	559	-20%	22%	\$441,970	0%	\$205.31	0%	821	4.0	2,168	2018
\$500k < \$750k	628	-4%	24%	\$592,600	1%	\$219.49	-2%	1,013	5.0	2,706	2017
\$750k < \$1M	201	7%	8%	\$840,000	2%	\$246.27	-1%	305	5.0	3,399	2016
\$1M+	70	-27%	3%	\$1,187,500	-5%	\$292.10	-11%	147	6.9	4,241	2017

*** Not displayed when fewer than five sales



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**QUALIFICATIONS
OF THE
APPRAISERS**

QUALIFICATIONS OF PHILLIP F. BARLETTA, MAI, SRA**PROFESSIONAL AFFILIATIONS**

Member Appraisal Institute, MAI Number: 7644

Texas State Certified General Real Estate Appraiser
 Certificate Number: TX-1320197-G
 Date of Expiration: 03/31/2025

Texas Real Estate Broker, License Number: 0235500

Mr. Barletta is a designated Realtor Member of the Houston Association of Realtors and the Texas Association of Realtors. He has served as a member on the Appraisal Institute's Houston Chapter Number 33 Admissions Committee and Candidate's Guidance Committee. He has also been elected to the Houston Chapter Number 33 Board of Directors for Years 2000, 2001 and 2002, and served on the Officer's Nominating Committee for 2003, 2004, 2011, 2014, 2017 and 2019. In 2020, he was again elected to the Houston Chapter Board of Directors in 2020 for 2021.

EDUCATIONAL BACKGROUND

Mr. Barletta graduated from Sam Houston State University in Huntsville, Texas on May 21, 1977. He received a Bachelor of Business Administration degree with primary emphasis on finance, management, and real estate related courses. In addition he has successfully passed the following Appraisal Institute Courses and attended the following Seminars:

- 1) Course 1-A: Basic Appraisal Principles, Methods and Techniques (1979)
- 2) Course 8: Single-Family Residential Appraisal (1979)
- 3) Course 1B-A: Capitalization Theory and Techniques, Part A (1984)
- 4) Course 1B-B: Capitalization Theory and Techniques, Part B (1985)
- 5) Course 2-1: Case Studies and Real Estate Valuation (1985)
- 6) Course 2-2: Valuation Analysis and Report Writing (1985)
- 7) Course 2-3: Standards of Professional Practice (1985)
- 8) Seminar: Subdivision Analysis, by A.I.R.E.A., Houston, TX (1986)
- 9) Seminar: R41-b and the Appraiser, by S.R.E.A., Dallas, TX (1987)
- 10) Course 1B-B: Audited Capitalization, Part B (1987)
- 11) Seminar: FNMA Underwriting Guidelines, by S.R.E.A., Houston, TX (1987)
- 12) Seminar: FNMA Appraisal Guidelines & Condo/PUD Acceptance (2 days), by S.R.E.A., Houston, TX (1988)
- 13) Seminar: FNMA Appraisal Guidelines, by S.R.E.A., Houston, TX (1989)
- 14) Seminar: Standards of Professional Practice Update by A.I.R.E.A., Houston, TX (1989)
- 15) Seminar: Comprehensive Appraisal Workshop by Ted Whitmer, MAI, Houston, TX (Jan. 15-18, 1990)
- 16) Seminar: Affordable Housing Disposition Program by RTC, Houston, TX (Sept. 21, 1990)
- 17) Seminar: Appraising Troubled Income Properties by A.I.R.E.A., Houston, TX (Oct. 25, 1990)
- 18) Seminar: Discounted Cash Flow Analysis by A.I.R.E.A., Houston, TX (Nov. 16, 1990)
- 19) Seminar: FNMA Underwriting Guidelines by Appraisal Institute, Houston, TX (July 19, 1991)
- 20) Seminar: Valuation of Leased Fees by Appraisal Institute, Houston, TX (July 20, 1991)
- 21) Course: Standards of Professional Practice - Parts A & B by Appraisal Institute, Houston, TX (March 26-29, 1992)
- 22) Seminar: Americans with Disabilities Act (ADA) Seminar by Appraisal Institute, Houston, TX (Nov. 4, 1992)
- 23) Seminar: ARGUS Version 3.0 Training Seminar by ARGUS Financial Software, Houston, TX (Nov. 12, 1993)
- 24) Seminar: The New URAR Report, by Appraisal Institute, Houston, TX (Feb. 17, 1994)
- 25) Seminar: Fair Lending and the Appraiser, by Appraisal Institute, Houston, TX (April 8, 1994)
- 26) Seminar: Understanding Limited Appraisals & Reporting Options - General, Houston, TX (July 7, 1994)
- 27) Seminar: How to Appraise FHA Insured Property, by H.U.D., Houston, TX (Dec. 1, 1994)
- 28) Seminar: Real Estate Evaluations & The Appraisal Industry, by Appraisal Institute, Houston, TX (April 20, 1995)
- 29) Seminar: Appraisal Practices for Litigation, by Appraisal Institute, Houston, TX (May 19-20, 1995)
- 30) Seminar: The High-Tech Appraisal Office, by Appraisal Institute, Kansas City, MO (6/14/96)
- 31) Seminar: The Internet and Appraising, by Appraisal Institute, Kansas City, MO (6/15/96)
- 32) Seminar: Litigation Skills for the Appraiser: An Overview, by Appraisal Institute, Houston, TX (10/25/96)
- 33) Seminar: Understanding Limited Appraisals & Appraisal Reporting Options, by Appraisal Institute, Houston, TX (June 12, 1997)
- 34) Seminar: Affordable Housing Valuation, by Appraisal Institute, Houston, TX (June 13, 1997)
- 35) Course 430: Standards of Professional Practice, Part C, by Appraisal Institute, Houston, TX (Dec. 4-5, 1997)
- 36) Seminar: R4580 Fannie Mae Seminar, by Appraisal Institute, Houston, TX (July 17, 1998)
- 37) Seminar: The Appraisal of Local Retail Properties, by Appraisal Institute, Houston, TX (September 28, 1998)

- 38) Seminar: Attacking & Defending an Appraisal in Litigation, by Ted Whitmer, MAI, CCIM, Houston, Texas (April 15-16, 1999)
- 39) Seminar: Fannie Mae – Mortgage Lending, by Appraisal Institute, Houston, TX (November 10, 1999)
- 40) Seminar: 10th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (March 24, 2000)
- 41) Seminar: Subdivision Analysis, by Appraisal Institute, Houston, TX (June 20, 2000)
- 42) Seminar: HUD Multifamily Accelerated Processing (MAP), by HUD, Fort Worth, TX (September 27, 2000)
- 43) Seminar: U.S.P.A.P. 2001 Update, by Appraisal Institute, Houston, TX (February 17, 2001)
- 44) Seminar: 11th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (May 4, 2001)
- 45) Seminar: 2002 Commercial Real Estate Forecast, by CCIM, Houston, TX (February 14, 2002)
- 46) Seminar: Texas USPAP Update, by Appraisal Institute, Houston, TX (March 23, 2002)
- 47) Seminar: 12th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (May 3, 2002)
- 48) Course 430: Standards of Professional Practice, Part C, by Appraisal Institute, Houston, TX (December 12-13, 2002)
- 49) Seminar: 13th Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 10, 2003)
- 50) Course 400: U.S.P.A.P. 2004 Update, by Appraisal Institute, Houston, TX (January 24, 2004)
- 51) Course 400: U.S.P.A.P. 2005 Update, by Appraisal Institute, Houston, TX (April 14, 2005)
- 52) Seminar: 15th Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 28, 2005)
- 53) Seminar: Professional Guide to the URAR, by Appraisal Institute, Houston, TX (June 23, 2005)
- 54) Seminar: 16th Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 27, 2006)
- 55) Seminar: Subdivision Valuation, by Appraisal Institute, Houston, TX (November 9, 2006)
- 56) Seminar: Scope of Work, by Appraisal Institute, Houston, TX (January 18, 2007)
- 57) Course 400: U.S.P.A.P. 2008-09 Update, by Appraisal Institute, Houston, TX (Jan. 19, 2008)
- 58) Seminar: Analyzing Distressed Real Estate, by Appraisal Institute, Houston, TX (Dec. 11, 2008)
- 59) Seminar: Mortgage Fraud, by Champions School of R.E., Houston, TX (Jan. 16, 2009)
- 60) Seminar: 19th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 6-7, 2009)
- 61) Seminar: U.S.P.A.P. 2010 – 2011 Update, by Appraisal Institute, Houston, TX (Feb. 24, 2010)
- 62) Seminar: 20th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (May 6-7, 2010)
- 63) Seminar: Business Practices & Ethics, by Appraisal Institute, Houston, TX (Dec. 9, 2010)
- 64) Seminar: Staying out of Trouble in Appraisal Practice & A Lender's Perspective, by Appraisal Institute, Houston, TX (Feb. 26, 2011)
- 65) Seminar: Appraising Distressed Commercial Real Estate, by Appraisal Institute, Houston, TX (April 15, 2011)
- 66) Seminar: Appraisal Curriculum Overview (2-Day General), by Appraisal Institute, Austin, TX (May 10-11, 2011)
- 67) Course: Fundamentals of Separating Real & Personal Property from Intangible Business Assets, by Appraisal Institute, Chicago, IL (Dec. 15-16, 2011)
- 68) Seminar: U.S.P.A.P. 2012-2013 Update, by Appraisal Institute, Houston, TX (Feb 22, 2012)
- 69) Seminar: Complex Litigation Appraisal Case Studies, by Appraisal Institute, Houston, TX (Jan. 14, 2013)
- 70) Seminar: 23rd Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 25-26, 2013)
- 71) Seminar: Business Practices & Ethics, by Appraisal Institute, Houston, TX (July 31, 2013)
- 72) Seminar: U.S.P.A.P. 2014-2015 Update, by Appraisal Institute, Houston, TX (December 6, 2013)
- 73) Seminar: 24th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 17-18, 2014)
- 74) Course: Texas Appraiser Trainee/Sponsor Course, Houston, TX (April 16, 2015)
- 75) Seminar: 25th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 23-24, 2015)
- 76) Seminar: U.S.P.A.P. 2016 – 2017 Update, by Appraisal Institute, Houston, TX (December 11, 2015)
- 77) Seminar: 26th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 28 – 29, 2016)
- 78) Seminar: Eminent Domain, by CLE International, Austin, TX (Feb 9-10, 2017)
- 79) Seminar: 27th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 20-21, 2017)
- 80) Symposium: 2017 Real Estate Symposium/TALCB Course #32884, by Appraisal Institute, Houston, TX (August 18, 2017)
- 81) Seminar: Business Practices & Ethics, by Appraisal Institute, Houston, TX (Oct. 13, 2017)
- 82) Course: U.S.P.A.P. 2018-2019, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 7, 2017)
- 83) Seminar: 28th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 26-27, 2018)
- 84) Symposium: 2018 Real Estate Symposium, by Appraisal Institute, Houston, TX (September 28, 2018)
- 85) Seminar: 29th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 25-26, 2019)
- 86) Symposium: 2019 Real Estate Symposium, TALCB Course #37477, By Appraisal Institute, Houston, TX (Sept. 26, 2019)
- 87) Seminar: U.S.P.A.P. 2020-2021, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 13, 2019)
- 88) Course: Eminent Domain & Condemnation by Appraisal Institute Online, (Sept. 10, 2020)
- 89) Seminar: Business Practice and Ethics, by Appraisal Institute, Live Online-Synchronous (July 27, 2021)
- 90) Course: U.S.P.A.P. 2022-2023, 7-Hour Update by Appraisal Institute, Austin, TX (Dec. 17, 2021)
- 91) Seminar: 31st Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 28-29, 2022)
- 92) Symposium: 2022 Real Estate Symposium, by Appraisal Institute, Houston, TX (Oct. 25, 2022)
- 93) Course: Supervisory Appraiser Course, by Appraisal Institute, Synchronous, Houston, TX (Dec. 2, 2022)
- 94) Seminar: 32nd Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio (April 13-14, 2023)
- 95) Symposium: 2023 Houston Real Estate Symposium – Riding the Waves of Market Volatility, Houston, TX (Sept. 19, 2023)
- 96) Course: U.S.P.A.P. 2024-2025, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 15, 2023)
- 97) Seminar: 33rd Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 4-5, 2024)

APPRAISAL BACKGROUND

Mr. Barletta began appraising in January, 1977. He has had extensive experience in appraising all types of commercial and residential properties (listed below) in the Houston, Dallas/Ft. Worth, Austin and San Antonio regions, plus numerous other cities throughout Texas. In August, 1987, Mr. Barletta became a partner in an appraisal company in which he held the title President. In 1991, he formed a new company, BARLETTA & ASSOCIATES, INC., where he also holds the title of President, with offices at 1313 Campbell Road, Suite C, Houston, Texas 77055-6429.

Some of the various types of appraisals performed by Mr. Barletta would include: high-end single-family residences, two-to-four unit residential income properties, raw land, mixed-use developed commercial sites, master-planned residential subdivisions, condominium/PUD projects, conventional and HUD apartment projects, office buildings, shopping centers, office/warehouses, special-purpose properties, motels/hotels, golf courses, marinas, restaurants, various commercial/retail facilities, all types of industrial properties and eminent domain/condemnation properties. Mr. Barletta has also been qualified as an expert witness in various court matters for real property valuation by numerous attorneys, and he has arbitrated and reviewed a number of legal issues.

Texas Address:	1313 Campbell Road, Suite C Houston, Texas 77055-6429
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E-Mail:	phillip@barlettainc.com



DAVID BAEHR, MAI, SRA, AI-GRS

(713) 884-7813
david.baehr@barlettainc.com

REAL ESTATE APPRAISER

– 16 years in real estate appraisals, asset management, acquisitions, and portfolio management –

Accomplished real estate appraiser, a high performer excelling in performing and reviewing appraisals for compliance with USPAP, FIRREA and the OCC. Has experience with various proposed/existing property types, including: A & D (subdivision development), 5+ lots/units, single-family, multi-family, office and other property types throughout the U.S. This includes REO/distressed properties. Consults with account officers, fee appraisers and brokers giving guidance regarding any issues that may arise. Research markets and perform due diligence to complete risk analyses and determine credibility of appraisal under review. *General Certified Real Estate Appraiser and a Designated Member of the Appraisal Institute.*

PROVEN COMPETENCIES

- Appraisal review
- Data/Market Analysis
- Client inquiries/Investigations
- Due Dilligence
- Market trend analysis
- Forward looking projections
- Market forecasting
- Risk management

PROFESSIONAL EXPERIENCE

Barletta & Associates, Houston, TX 5/2021-Present

COMMERCIAL REAL ESTATE APPRAISER – Appraising a variety of commercial properties specializing in residential subdivision valuation.

U.S. Bancorp, Houston, TX 7/2013-4/2021

The fifth largest financial institution in the United States, with \$429 billion in assets.

VICE PRESIDENT / SENIOR REVIEW APPRAISER

Review appraisals of proposed and existing collateral, ensuring that the appraisal reports are in compliance with USPAP, FIRREA, the OCC and U.S. Banks policy and procedures. Depending on the complexity of the property type, discounted cash flow analysis, expense/revenue projections may be utilized to ensure the reports are in line with market trends. Analyze and review residential appraisal reports, A & D subdivision development appraisals, 5+ lot/units appraisals, commercial land, medical offices, industrial, multifamily and other property types throughout the U.S each month for the purpose of collateral monitoring and loan underwriting. Communicate issues, concerns and results with loan officers.

- Manage the ordering and review of appraisals of portfolios with borrowing bases and revolvers and other credit facilities of borrowers with loan amounts totaling over \$500MM.
- Properly order appraisals with appropriate scope of work and value scenarios from qualified and competent appraisers (based on the property type and vendor's experience) on the approved vendor panel.
- Monitor appraisal process from engagement to review completion and facilitate report delivery and response to issues as appropriate.
- In reviewing the appraisal reports, discuss any USPAP, FIRREA or OCC deficiencies with the vendors in order to ensure compliance with federal regulations and RETECHS Internal Procedures.

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- Effectively communicate valuation/appraisal issues with the business lines and answer any questions from the loan production staff and risk management group as well as respond to reconsideration requests from business lines in a timely manner.

APPRAISAL MC, Houston, TX

4/2013-7/2013

A rapidly growing appraisal management company that provides the nation's premier lenders with the capability to maintain compliance standards throughout the appraisal ordering process. We pride ourselves on customer service as well as extensive industry knowledge and experience.

VP APPRAISAL REVIEW

- Assess risks associated with the real estate appraisal and evaluation for residential lending channels.
- Protect the financial interests of company by adhering to appraisal standards for accuracy and quality and proactively identify appraisal risk in real estate markets.
- Maintain knowledge of the real estate industry and follow all state and federal laws and regulation pertaining to the Real Estate Industry.

PNC BANK, N.A., Houston, TX

3/2012-4/2013

(PNC BANK, N.A., purchased RBC BANK USA in March 2012)

A \$13 billion financial services organization with 57,000 employees.

REVIEW APPRAISER

3/2012-4/2013

Analyze and review residential and commercial appraisals throughout the U.S each month for the purpose of collateral monitoring, loan underwriting and foreclosure proceedings. Communicate issues, concerns and results with relationship managers.

- Join with fee appraisers and attain compliance with USPAP and federal regulations.
- Engage third party appraisers to perform appraisals for the bank.

ROYAL BANK OF CANADA (RBC Builder Finance division), Houston, TX

6/2005-3/2012

A full-scale banking institution with 74,000 global employees and \$27 billion in annual revenue.

STAFF APPRAISER

9/2005-3/2012

Produced property and land appraisals, completing due diligence for up to 620 appraisals per month. Evaluated collateral, creating forecasts for short and long-term revenue and expense projections. Executed valuations for vacant lots and single-family residences (1-4 family and 5+ lots and units), aggregating retail proceeds and discounted cash flow analysis. Partnered with national account officers and asset management departments to analyze contracts, budgets, absorption rates, and economic housing data. Coordinated and completed form appraisals and evaluation reports, assessing distressed collateral.

- Became proficient in the sales comparison, cost, and income approaches to market value and liquidation/disposition value on various property types as a certified appraiser.
- Engaged in sophisticated cash flow modeling for complex collateral, creating bulk valuations.
- Conducted in depth market research on new homebuilders and developers.

INSPECTOR ANALYST

6/2005-9/2005

Operated within a broad international customer base in the builder finance division, focusing on construction lending to premier clients throughout the US. Completed cost effective, reliable collateral draw inspections for the Houston-based office. Served customers by coordinating inspections with builders.

- Fulfilled up to 500 inspections per week for four months; saved customers \$180,000 by personally completing inspections, alleviating the need for builders to hire outside inspectors.
- Ensured customers received draws according to schedule; observed builder progress and authorized access to additional credit extensions.
- Joined with a colleague to complete 600+ inspections in two days.

EDUCATION & TRAINING

DEGREES

- **Bachelor of Business Administration – Finance**, University of St. Thomas, 2005
- **Associate of Arts in General Studies**, Houston Community College, 2002

CERTIFICATIONS

- General Certified Real Estate Appraiser, TX-1380372-G
- MAI designation through the Appraisal Institute
- SRA designation through the Appraisal Institute
- AI-GRS designation through the Appraisal Institute

PROFESSIONAL DEVELOPMENT

- Real estate appraisal coursework in Advanced Highest and Best Use and Market Analysis, Quantitative Analysis, Sales Comparison and Income Approaches, Advanced Residential Applications, Site Valuations, Cost Approach, Real Estate Finance, Statistics and Valuation Modeling, Residential Report Writing, USPAP, and Appraisal Procedures and Principles, *The Appraisal Institute & McKissock*
- Advanced accounting coursework, *University of Houston – Downtown, Houston Community College, & Lone Star College System*

COMPUTER SKILLS

- Proficient in Microsoft Office Suite, Zonda Metrostudy, Costar, RIMS, LINKS and Argus.

AFFILIATION

Member, Appraisal Institute



**Certified General
Real Estate Appraiser**

Appraiser: **David Matthew Baehr**
License #: **TX 1380372 G** License Expires: **10/31/2026**

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 General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.



Chelsea Buchholtz
Executive Director



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