

NEW ISSUE

NOT RATED

PROSPECTIVE PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN. THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT IN RELIANCE UPON THE EXEMPTION PROVIDED BY SECTION 3(A)(2) THEREIN. NO ACTION HAS BEEN TAKEN TO QUALIFY THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY STATE. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN.

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



**The Bonds WILL NOT be designated as “qualified tax-exempt obligations” for financial institutions.**

**\$64,142,000\***

**DENTON COUNTY, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)**

**Dated Date: Date of Delivery (defined below)**

**Due: December 31, as shown on the inside cover**

**Interest to Accrue from Date of Delivery**

The Denton County, Texas, Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project) (the “Bonds”), are being issued by Denton County, Texas (the “County”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover 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 June 30 and December 31, commencing June 30, 2025, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), to DTC as the registered owner thereof. See “BOOK-ENTRY ONLY SYSTEM.”

The Bonds are being issued pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an order expected to be adopted by the Commissioners Court of the County (the “Commissioners Court”) on March 11, 2025, and an Indenture of Trust, dated as of March 1, 2025 (the “Indenture”), to be entered into by and between the County and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects (as defined herein), (ii) paying the District Formation Costs allocable to Improvement Area #1; and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Improvement Area #1 Projects, and other costs relating to the issuance of the Bonds. See “THE IMPROVEMENT AREA #1 PROJECTS” and “APPENDIX A — Form of Indenture.”

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the County payable solely from and secured by the Pledged Revenues, consisting primarily of Assessments (as defined herein) expected to be levied against assessable properties in Improvement Area #1 (as defined herein) of the Green Meadows Public Improvement District (the “District”) in accordance with a Service and Assessment Plan and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. The Bonds are not payable from funds raised or to be raised from taxation. The Assessments are expected to be levied in accordance with the Assessment Orders (as defined herein) of the County. See “SECURITY FOR THE BONDS.”

The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption “DESCRIPTION OF THE BONDS — Redemption Provisions.”

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

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY 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 COUNTY 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 COUNTY 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 COUNTY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE COUNTY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE COUNTY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS.”

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

The Bonds are offered for delivery when, as, and if issued by the County and accepted by FMSbonds, Inc. (the “Underwriter”), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Dallas, Texas, 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 C — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, LLP, Dallas, Texas and for the Master Developer by its counsel, Winstead PC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about March 31, 2025 (the “Date of Delivery”).

**FMSbonds, Inc.**

\* Preliminary; subject to change.

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

CUSIP Prefix: \_\_\_\_\_

\$64,142,000\*  
DENTON COUNTY, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

\$ \_\_\_\_\_ % Term Bonds, Due December 31, 20 \_\_, Priced to Yield \_\_\_\_\_ %; CUSIP Suffix \_\_\_\_\_ (a) (c)

\$ \_\_\_\_\_ % Term Bonds, Due December 31, 20 \_\_, Priced to Yield \_\_\_\_\_ %; CUSIP Suffix \_\_\_\_\_ (a) (b) (c)

\$ \_\_\_\_\_ % Term Bonds, Due December 31, 20 \_\_, Priced to Yield \_\_\_\_\_ %; CUSIP Suffix \_\_\_\_\_ (a) (b) (c)

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\* Preliminary; subject to change.

- (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 and managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the County, the County's Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.
- (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the County, on any date on or after December 31, 20 \_\_, at the redemption price of par plus accrued and unpaid interest to the date of redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."
- (c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

**DENTON COUNTY, TEXAS  
COMMISSIONERS COURT**

<u>Name</u>	<u>Place</u>	<u>Term Expires (November)</u>
Andy Eads	County Judge	2026
Ryan Williams	Commissioner Precinct 1	2028
Kevin Falconer	Commissioner Precinct 2	2026
Bobbie J. Mitchell	Commissioner Precinct 3	2028
Dianne Edmondson	Commissioner Precinct 4	2026

**OTHER ELECTED OFFICIALS**

<u>Name</u>	<u>Place</u>	<u>Term Expires (November)</u>
Juli Luke	County Clerk	2026
Cindy Yeatts-Brown	County Treasurer	2026
Dawn Waye	Tax Assessor/Collector	2028

**COUNTY AUDITOR**

Jeff May

**COUNTY CHIEF CIVIL ATTORNEY**

John Feldt

**COUNTY ADMINISTRATOR**

Jody Gonzalez

**ADMINISTRATOR**

Willdan Financial Services

**FINANCIAL ADVISOR TO THE COUNTY**

Samco Capital Markets, Inc.

**BOND COUNSEL**

Norton Rose Fulbright US LLP

**UNDERWRITER'S COUNSEL**

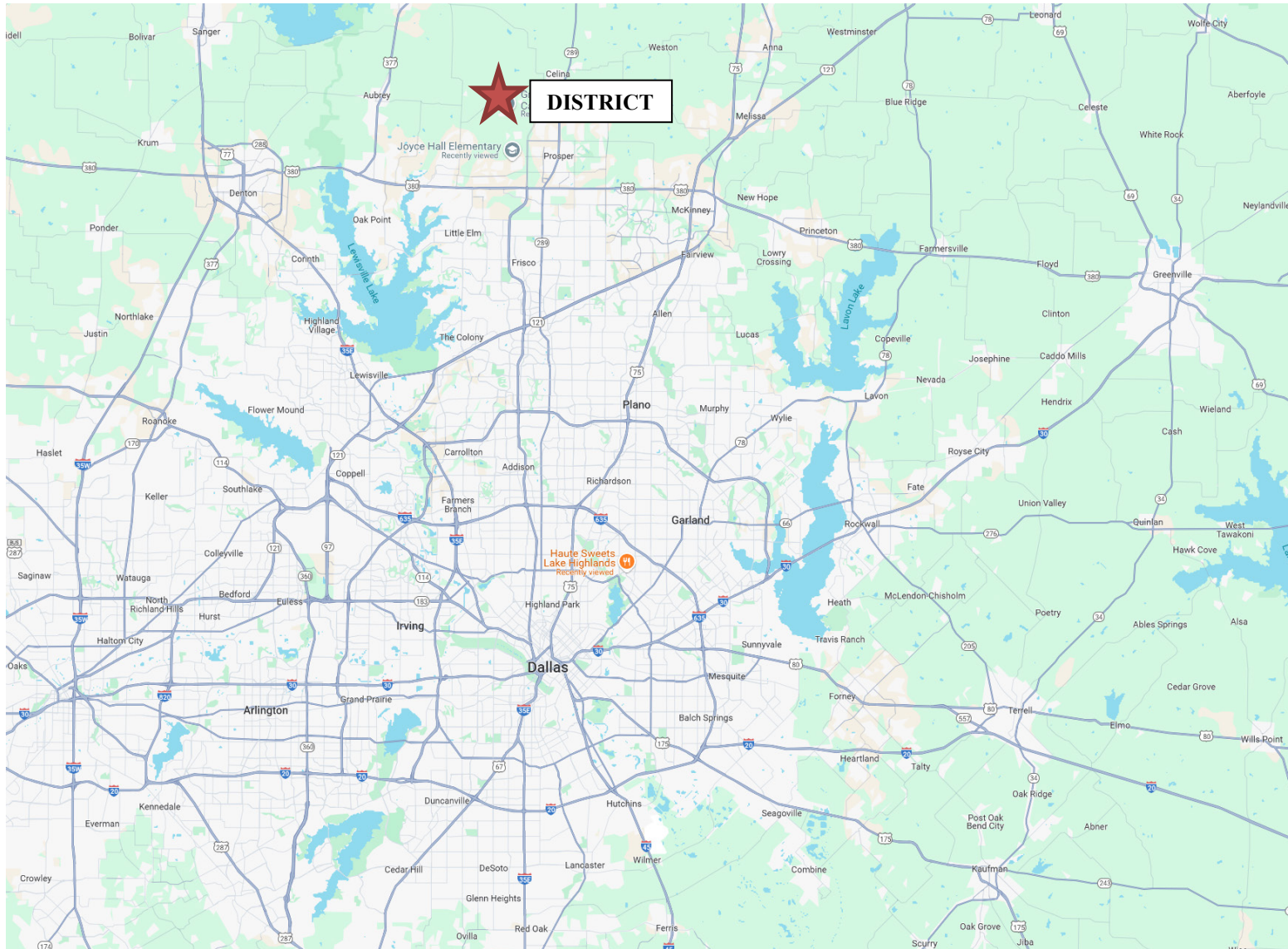
Greenberg Traurig, LLP

For additional information regarding the County, please contact:

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Andy.eads@dentoncounty.gov

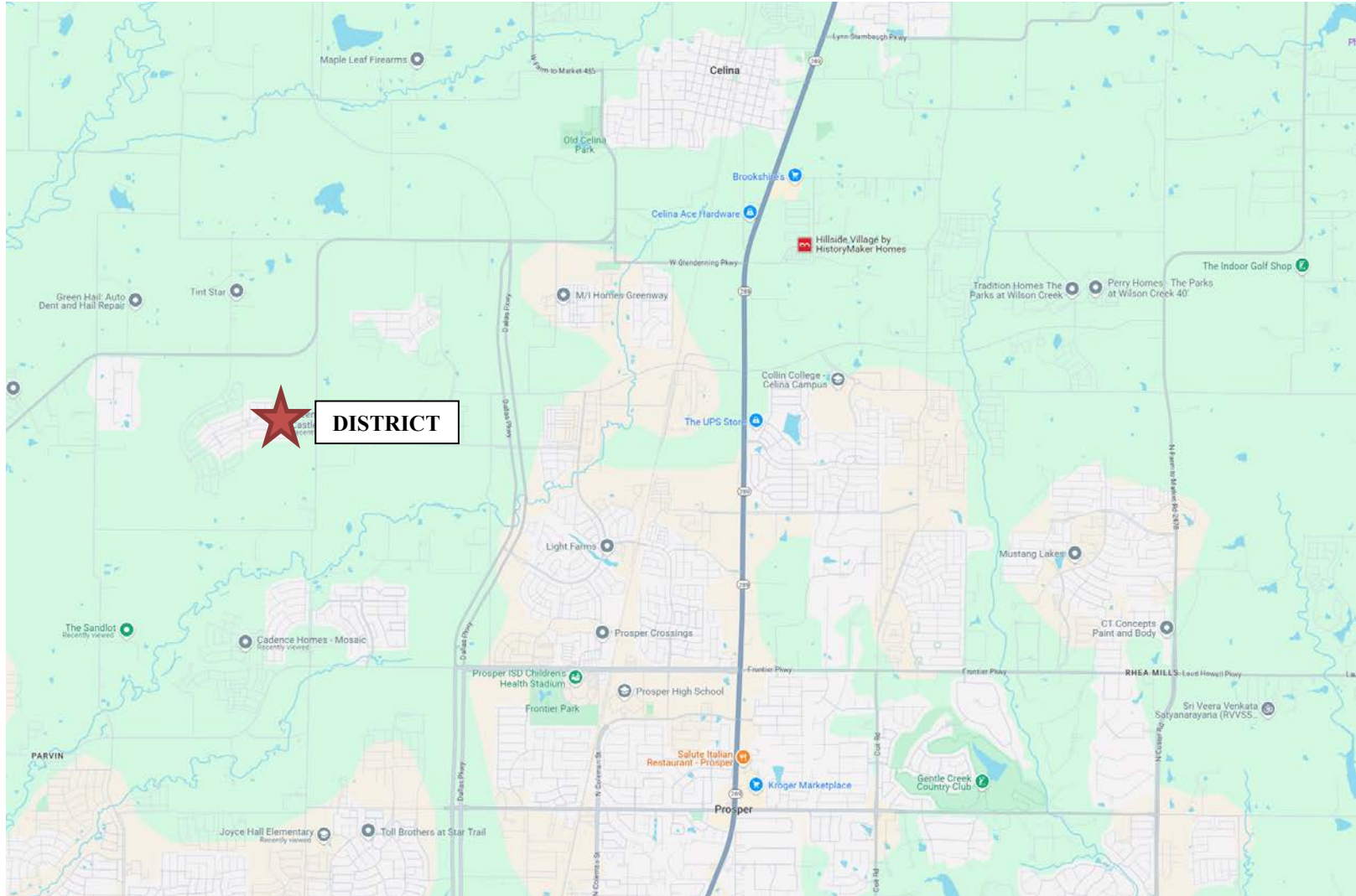
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Suite 2000  
Dallas, Texas 75201  
(214) 765-1400  
Mlibera@samcocapital.com

## REGIONAL LOCATION MAP OF THE DISTRICT

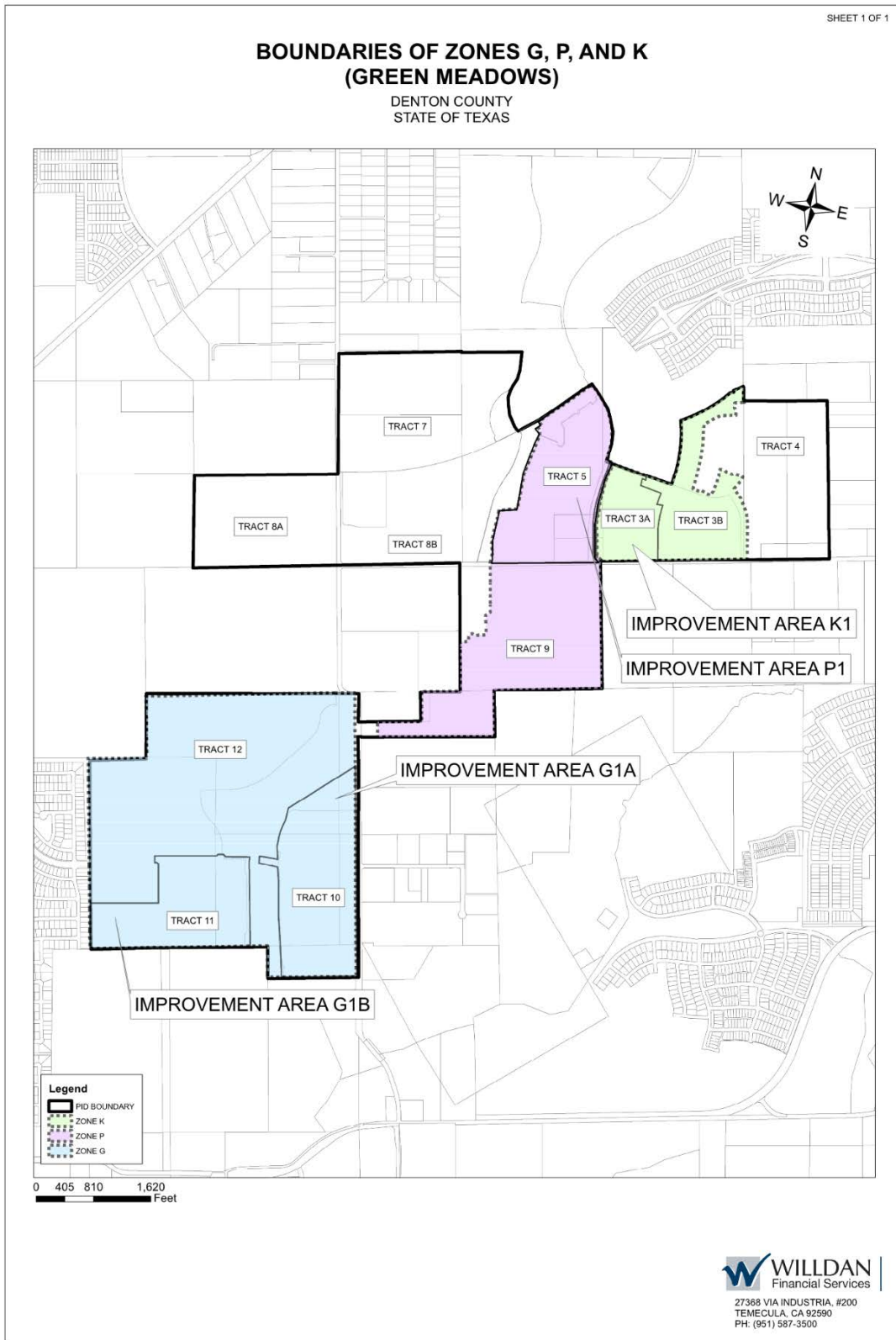




# AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREAS, AND ZONES



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

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN. EACH PROSPECTIVE 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 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.”

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

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

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

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH

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

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

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

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APPENDIX D-3	Form of Builder Pod Developer Disclosure Agreement
APPENDIX E	Appraisal
APPENDIX F	Form of Construction, Funding, and Acquisition Agreement

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**PRELIMINARY LIMITED OFFERING MEMORANDUM**

**\$64,142,000\***  
**DENTON COUNTY, TEXAS,**  
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025**  
**(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)**

**INTRODUCTION**

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by Denton County, Texas (the “County”), of its \$64,142,000\* aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project) (the “Bonds”).

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

The Bonds are being issued by the County pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the order authorizing the issuance of the Bonds expected to be enacted by the Commissioners Court of the County (the “Commissioners Court”) on March 11, 2025 (the “Bond Order”), and an Indenture of Trust, dated as of March 1, 2025 (the “Indenture”), to be entered into by and between the County and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

The Bonds will be secured by a pledge of and a lien upon the Trust Estate (as defined in the Indenture), consisting primarily of revenue from separate assessments respectively expected to be levied against assessable property (the “Assessed Property”) in Improvement Area G1A (the “Improvement Area G1A Assessments”), Improvement Area G1B (the “Improvement Area G1B Assessments”), Improvement Area K1 (the “Improvement Area K1 Assessments”) and Improvement Area P1 (the “Improvement Area P1 Assessments,” and collectively, with the Improvement Area G1A Assessments, the Improvement Area G1B Assessments, and the Improvement Area K1 Assessments, the “Assessments”). Improvement Area G1A, Improvement Area G1B, Improvement Area K1 and Improvement Area P1 are located within the Green Meadows Public Improvement District (the “District”), and are collectively referred to herein as “Improvement Area #1.” See “MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREAS, AND ZONES” on page v. Each respective Assessment is expected to be levied pursuant to a separate order expected to be enacted by the Commissioners Court on March 11, 2025 (collectively, the “Assessment Orders”). The County created the District pursuant to a resolution adopted by the Commissioners Court on November 19, 2024 (the “Creation Resolution”).

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

Set forth herein are brief descriptions of the County, the District, the Assessment Orders, the Bond Order, the Service and Assessment Plan (as defined herein), the PID Financing Agreement (as defined herein), the Construction, Funding, and Acquisition Agreements (as defined herein), Celina 6, LP, a Texas limited partnership

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\* Preliminary; subject to change.

(the “Master Developer”), the OPP Landowners (as defined herein), the Builder Pod Developers (as defined herein) and Willdan Financial Services (the “Administrator”), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas, 75034, Phone: (214) 302-2246. The Form of Indenture appears in APPENDIX A and the Form of Service and Assessment Plan appears in APPENDIX B. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed in this Limited Offering Memorandum.

## **PLAN OF FINANCE**

### **The District**

The PID Act authorizes political subdivisions, such as the County, to create public improvement districts and to impose assessments within the public improvement district to pay for certain improvements. The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Projects (as defined herein), authorized by the PID Act and approved by the Commissioners Court that confer a special benefit on the District.

### **Development Plan and Plan of Finance**

On July 18, 2023, OPP Green Meadows, LP (“OPP-GM, LP”) purchased an assemblage of approximately 1,009 acres from Smiley Road, Ltd. and Green Meadows Community, Inc. and approximately 62 acres from Green Meadows Community, Inc. (such approximately 1,071 acres collectively, the “Purchased Property”), which included the land comprising the District, at a total purchase price of \$150,703,280. The purchase price was funded entirely with equity provided through the limited partners of OPP-GM, LP.

Subsequent to its purchase of the Purchased Property, OPP-GM, LP subdivided the Purchased Property and transferred portions of such Purchased Property to the Master Developer, GM-Celina, LP, North Celina, LP and South GM, LP (such entities collectively with OPP-GM, LP, the “OPP Landowners”). The OPP Landowners are affiliated entities as described under “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN – The Master Developer and OPP Landowners – Property Acquisition, Subsequent Sales and Financing of Major Improvements.”

The land within the District will be developed as a portion of a larger mixed-use master planned development, which is known as “Green Meadows” (such portion, the “Development”). The land in the Development and the District, along with the additional approximately 168 acres that are part of Green Meadows are referred to herein as the “Green Meadows Development.” The Green Meadows Development is located within the extraterritorial jurisdiction of the City of Celina, Texas (the “City”). The Development’s location as part of the rapidly expanding northern corridor of the Dallas-Fort Worth Metroplex suggests significant growth over the next several years.

The District contains approximately 849 acres which is expected to be developed into a residential development that includes up to approximately 2,574 single-family residential homes in a mixture of 40’, 50’, 60’ and 70’ lots. See “MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREAS, AND ZONES” on page v hereof. The Development is expected to include multiple amenity centers, open spaces and trails. See “THE DEVELOPMENT – Development Plan” and “—Amenities.”

The developable land within the District is expected to be owned and developed as discrete pods or “Zones” by regional and national homebuilders including Grand Homes, Perry Homes, K. Hovnanian, and TriPointe (each as defined herein) (or their associated or contracted land banking or special purpose development entities) (collectively, the “Homebuilders”) to the extent not sold to future homebuilders for development. The Builder Pod Developers are expected to complete lots and the Homebuilders are expected to construct homes on their respective land within the



District. See “THE DEVELOPMENT – Builder Pod Developer Purchase and Sale Agreements in the District” and “– Expected Build-Out and Home Prices in the Development.”

As of February 1, 2025, land in the District is primarily owned by the OPP Landowners, PH Land Holdings, LLC (“PHLH”) (a special purpose development entity under common control with Perry Homes), Green Meadows Land Venture, LLC (“GMLV”) (an investment entity under common control with Perry Homes), Wilbow Finance-Green Meadows, LLC (“WFGM”) (which is serving as a land bank entity for K. Hovnanian), GSW Land Investors IV, LP (“GSW”) (an investment entity affiliated with Grand Homes), Grand Oaks Residential Development, LLC (“GORD”) (a special purpose development entity affiliated with Grand Homes), and the directors of Smiley Road Water Control and Improvement District No. 2, and any district created from the division of such district (“SRWCID No. 2”) as described under “THE DEVELOPMENT – Overview.” Brightland Homes, Ltd. (“Brightland”) also owns 3.47 acres in the District which are expected to be used as open space. Approximately 208 acres owned by North Celina, LP (an OPP Landowner) is under contract with TriPointe as described under “THE DEVELOPMENT – Builder Pod Developer Purchase and Sale Agreements.” PHLH, GMLV, K. Hovnanian, GSW, GORD, and TriPointe are collectively referred to herein as the “Builder Pod Developers.” After the closing under the TriPointe PSA (as defined herein), which is expected to occur on April 30, 2025, the OPP Landowners are expected to own the Model Home Lots (as defined herein) and approximately 88 acres of land in the District which is expected to be conveyed to SRWCID No. 2 as drainage, right of way and open space land. An additional 5 acres in the District will remain owned by the directors of SRWCID No. 2. None of the land owned by the OPP landowners after the closing under the TriPointe PSA or by the directors of SRWCID No. 2 will be subject to assessments. See “THE DEVELOPMENT – Overview.”

Development in the District began with the construction of certain onsite and offsite major roadway improvements, onsite and offsite water improvements, sanitary sewer improvements, and storm drainage improvements benefitting the Assessed Property and the expenditure of certain soft costs related thereto (the “Major Improvements”) by the Master Developer. See “APPENDIX B – Form of Service and Assessment Plan” for a description of the Major Improvements. The Master Developer began construction of the Major Improvements in September 2024 and expects to complete the Major Improvements in February 2026. As of February 20, 2025, the Master Developer has spent approximately \$5.5 million on the Major Improvements, which was funded with cash from the various property sales by the Master Developer and its affiliates in the District as described under “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN — The Master Developer and OPP Landowners – Property Acquisition, Subsequent Sales and Financing of Major Improvements” and equity available to the Master Developer.

Certain local improvements (the “Local Improvements”) benefitting discrete portions of the District are expected to be constructed by the Builder Pod Developers or on behalf of the Builder Pod Developers by their respective special purpose development entities. See “THE DEVELOPMENT – Development Plan.” The first of such discrete portions to be developed will be “Improvement Area G1A,” “Improvement Area G1B,” “Improvement Area K1” and “Improvement Area P1” each as shown on the “MAP SHOWING BOUNDARIES OF THE DISTRICT, IMPROVEMENT AREAS, AND ZONES.” Each Improvement Area is located in a “Zone” (as defined in the Service and Assessment Plan), the first three of which are designated as Zone G, Zone K, and Zone P. The Service and Assessment Plan will be updated as additional Zones are established with future development occurring in the District, and such additional zones are referred to as “Future Zones” herein and in the Service and Assessment Plan.

GORD is expected to develop the Local Improvements for the two distinct areas designated as Improvement Area G1A and Improvement Area G1B. GORD will construct (i) certain road, water, and storm drainage improvements benefitting the land owned by GORD and GSW, designated as “Zone G” (as such term is defined in the Service and Assessment Plan) and expend certain soft costs related thereto (the “Zone G Improvements”), (ii) certain road, water, sewer and storm drainage improvements benefitting only Improvement Area G1A of the District, and expend certain soft and miscellaneous costs related thereto (the “Improvement Area G1A Local Improvements”) and (iii) certain road, water, sewer and storm drainage improvements benefitting only Improvement Area G1B of the District, and expend certain soft and miscellaneous costs related thereto (the “Improvement Area G1B Local Improvements”). The Improvement Area G1A Local Improvements and the allocable portion of the Zone G Improvements to Improvement Area G1A are referred to herein as the “Improvement Area G1A Local Projects.” The

Improvement Area G1B Local Improvements and the allocable portion of the Zone G Improvements to Improvement Area G1B is referred to herein as the “Improvement Area G1B Local Projects.”

K. Hovnanian is expected to develop the first portion of the Local Improvements for the land owned by WFGM as land banking entity for K. Hovnanian in the area designated as Improvement Area K1. K. Hovnanian will construct (i) certain road, water, and storm drainage improvements benefitting the land owned by WFGM, which is designated as “Zone K” (as such term is defined in the Service and Assessment Plan) and expend certain soft costs related thereto (the “Zone K Improvements”) and (ii) certain road, water, sewer and storm drainage improvements benefitting only Improvement Area K1 of the District, and expend certain soft and miscellaneous costs related thereto (the “Improvement Area K1 Local Improvements”). The Improvement Area K1 Local Improvements and the allocable portion of the Zone K Improvements to Improvement Area K1 are referred to herein as the “Improvement Area K1 Local Projects.”

PHLH is expected to develop the first portion of the Local Improvements for the land owned by PHLH in the area designated as Improvement Area P1. PHLH will construct (i) certain road and storm drainage improvements benefitting a portion of the land owned by PHLH and GMLV and designated as “Zone P” (as such term is defined in the Service and Assessment Plan) and expend certain soft costs related thereto (the “Zone P Improvements”) and (ii) certain road, water, sewer and storm drainage improvements benefitting only Improvement Area P1 of the District, and expend certain soft and miscellaneous costs related thereto (the “Improvement Area P1 Local Improvements”). The Improvement Area P1 Local Improvements and the allocable portion of the Zone P Improvements to Improvement Area P1 are referred to herein as the “Improvement Area P1 Local Projects.”

The County and SRWCID No. 2 have entered into a separate “Green Meadows Public Improvement District Financing Agreement” with each of (i) GM-Celina, LP, North Celina, LP, South GM, LP, and OPP-GM, LP, (ii) PHLH, and (iii) WFGM under which the County has agreed to finance the Authorized Improvements (as defined in the PID Financing Agreement) through the District (collectively, the “PID Financing Agreements”) and pursuant to which each applicable developer has agreed to construct certain Authorized Improvements to serve the District and transfer the Authorized Improvements to SRWCID No. 2 or Mustang Special Utility District (“Mustang SUD”), each of which will own, operate and maintain a portion of the Authorized Improvements, including the Improvement Area #1 Projects (as defined herein) and the Major Improvements. GM-Celina, LP, North Celina, LP, South GM, LP, and OPP-GM, LP have assigned or will assign the respective portions of their financing agreements to the remaining Builder Pod Developers contemporaneously with their respective closings of land in the District. WFGM has assigned or will assign its financing agreement to K. Hovnanian. The County expects to enter into Interlocal Agreements with each of SRWCID No. 2 and Mustang SUD under which SRWCID No. 2 and Mustang SUD will agree to own and maintain their respective portions of the Authorized Improvements.

The Improvement Area G1A Local Projects, Improvement Area G1B Local Projects, Improvement Area K1 Local Projects and Improvement Area P1 Local Projects are collectively referred to herein as the “Improvement Area #1 Projects.” The total costs of the Improvement Area #1 Projects together with (i) Bond Issuance Costs relating to the Bonds and (ii) First Year Annual Collection Costs attributable to Improvement Area #1 (the “Improvement Area #1 Authorized Improvements”) are expected to be approximately \$64,142,000\*. The County will pay the project costs for the Improvement Area #1 Authorized Improvements from proceeds of the Bonds, which are expected to be sufficient to fund the Improvement Area #1 Authorized Improvements. To the extent the proceeds of the Bonds are insufficient to fund the Improvement Area #1 Authorized Improvements, the balance of the costs of the Improvement Area #1 Authorized Improvements will be paid by the respective Builder Pod Developer without reimbursement. Each respective Builder Pod Developer will submit payment requests on a monthly basis for costs actually incurred in developing and constructing its respective portion of the Improvement Area #1 Projects and be paid in accordance with the Indenture and the applicable “Construction, Funding, and Acquisition Agreement” entered into by the respective Builder Pod Developer (each, a “Construction, Funding, and Acquisition Agreement” and collectively, the “Construction, Funding, and Acquisition Agreements”). See “THE IMPROVEMENT AREA #1 PROJECTS – General,” and “THE DEVELOPMENT – Development Plan.” See also “APPENDIX F – Form of Construction,

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\* Preliminary; subject to change.

Funding, and Acquisition Agreement” for an example form of Construction, Funding, and Acquisition Agreement. Each Construction, Funding, and Acquisition Agreement is expected to be substantially similar in terms.

Concurrently with the issuance of the Bonds, the County will issue its \$82,239,000\* Denton County, Texas, Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Major Improvement Area Project) (the “Major Improvement Area Bonds”) to finance a portion of the Major Improvements. The Major Improvement Area Bonds will be secured by a separate assessment levied on property in the Major Improvement Area, which is contiguous with the District (the “Major Improvement Area Assessments”). The property in Improvement Area #1 lies in the Major Improvement Area and, accordingly, the property in each Improvement Area located in Improvement Area #1 will be encumbered by both the applicable Assessment and the Major Improvement Area Assessments. **The Major Improvement Area Assessments constitute a parity lien to the Assessments but are not pledged to and will not be available for payment of the Bonds.** See “BONDHOLDERS’ RISKS—Assessment Limitations.”

The Master Developer expects the County to issue one or more series of bonds (collectively, the “Future Improvement Area Bonds”) to finance the cost of Local Improvements benefitting the remaining phases within the District subsequent to Improvement Area #1 (the “Future Improvement Areas”). The estimated costs of the local improvements benefitting the Future Improvement Areas of the District will be determined at the same time Future Improvement Areas are developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within the Future Improvement Areas of the District and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area of the District, as applicable. The Master Developer anticipates that Future Improvement Area Bonds will be issued over a five-year period. See “THE DEVELOPMENT – Future Improvement Area Bonds.”

**The Bonds, the Major Improvement Area Bonds, and any Future Improvement Area Bonds issued by the County are separate and distinct issues of securities secured by separate assessments. Any Future Improvement Area Bonds to be issued by the County are not offered pursuant to this Limited Offering Memorandum. Investors interested in purchasing any of these other County obligations should refer to the offering documents related thereto, when and if available.**

## **The Bonds**

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying the District Formation Costs allocable to Improvement Area #1; and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Improvement Area #1 Projects, and other costs relating to the issuance of the Bonds. “Bond Issuance Costs” means the costs associated with issuing the Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, County 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. “District Formation Costs” means the costs associated with forming the District, including attorney fees and any other cost or expense incurred by the County or the Master Developer directly associated with the establishment of the District.

To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount may, at the option of the County, be transferred to another Account of the Project Fund or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See “THE IMPROVEMENT AREA #1 PROJECTS,” “APPENDIX A – Form of Indenture,” and “SOURCES AND USES OF FUNDS.”

Payment of the Bonds is secured by a pledge of and a lien upon the Pledged Revenues, consisting primarily of Assessments expected to be levied against the Assessed Property within Improvement Area #1, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES” and “APPENDIX A – Form of Indenture.”

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

## DESCRIPTION OF THE BONDS

### General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each June 30 and December 31, commencing June 30, 2025 (each an “Interest Payment Date”), until maturity or prior redemption. U.S. Bank Trust Company, National Association, is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof (“Authorized Denominations”); provided, however, that if the total principal amount of any Outstanding Bond is less than \$100,000, then the Authorized Denomination of such Bonds shall be the amount of such Outstanding Bond. Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

### Redemption Provisions

*Optional Redemption.* The County reserves the right and option to redeem the Bonds maturing on or after December 31, 20\_\_, before their respective scheduled maturity dates, in whole or in part, on any date on or after December 31, 20\_\_, such redemption date or dates to be fixed by the County, at the redemption price of par plus accrued and unpaid interest to the date of redemption (the “Redemption Price”).

*Extraordinary Optional Redemption.* Notwithstanding any provision in the Indenture to the contrary, the County reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, and in an amount and on any date specified in a County Certificate, at the Redemption Price of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to various provisions of the Indenture), or any other transfers to the Redemption Fund under the terms of the Indenture, or as a result of unexpended amounts transferred from the Project Fund, as provided in the Indenture. The County will provide the Trustee a County Certificate directing the Bonds to be redeemed pursuant to the Indenture. No redemption shall be made which results in a Bond remaining outstanding in a principal amount less than an Authorized Denomination. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments” and “APPENDIX A — Form of Indenture.”

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

<u>\$ Term Bonds Maturing December 31, 20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
December 31, 20__	\$
December 31, 20__†	

§ Term Bonds Maturing December 31, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
December 31, 20__	\$
December 31, 20__ †	

† Stated maturity.

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

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

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

The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Outstanding Bonds 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 Bonds shall become due and payable.

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

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

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



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

In selecting the Bonds to be redeemed pursuant to a mandatory sinking fund redemption, the Trustee shall conduct a selection of Bonds in a random by lot selection process.

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

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

- (i) with respect to a Substantial Amount Redemption, the principal amount called for redemption shall be allocated on a pro rata basis among all Outstanding Bonds; and
- (ii) with respect to a Minor Amount Redemption, the Outstanding Bonds shall be redeemed in inverse order of maturity.

#### **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 County and the Underwriter believe the source of such information to be reliable, but neither the County nor the Underwriter takes responsibility for the accuracy or completeness thereof.*

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies,

clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://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 Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

responsibility of the Trustee, the Paying Agent/Registrar or the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

NONE OF THE COUNTY, THE TRUSTEE, THE PAYING AGENT, THE COUNTY'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE 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.

*Use of Certain Terms in Other Sections of this Limited Offering Memorandum.* In reading this Limited Offering Memorandum it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Limited Offering Memorandum to registered owners should be read to include the person for which the participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to DTC.

#### **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 County 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 County, 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 County in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the County, its commissioners, officers, or employees shall have any liability to the Investor whatsoever for, or in connection with the Investor’s decision to purchase the Bonds except for fraud or willful misconduct, to the extent permitted by law. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the County.
- 6) The Investor acknowledges that the obligations of the County under the Indenture are special, limited obligations payable solely from amounts paid by the County pursuant to the terms of the Indenture and the County shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the County for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the County, SRWCID No. 2, 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 County, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the County 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.

### **SECURITY FOR THE BONDS**

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

## **General**

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY 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 COUNTY 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 COUNTY 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 COUNTY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE COUNTY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE COUNTY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Assessments expected to be levied against the assessable parcels or lots within Improvement Area #1 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 County has caused the preparation of a Service and Assessment Plan (as may be amended and supplemented, the "Service and Assessment Plan"), which describes the special benefit received by the property in each Improvement Area within Improvement Area #1, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (defined herein) of Assessments due in a given year. The determination by the County of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the Commissioners Court of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within Improvement Area #1. See "APPENDIX B — Form of Service and Assessment Plan."

## **Pledged Revenues**

Pursuant to the Indenture, Pledged Revenues are the sum of (i) the Assessment Revenue less the Annual Collection Costs and (ii) any additional revenues that the County may pledge to the payment of Bonds. "Assessment Revenue" means monies collected by or on behalf of the County from any one or more of the following: (i) an Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof, during any period of delinquency, (ii) a Prepayment, and (iii) Foreclosure Proceeds. "Annual Installments" means, with respect to each Assessed Parcel, each annual payment of the Assessment levied against such Assessed Parcel (including both principal of and interest on the Assessments) and with respect to the (i) Improvement Area G1A Assessments, as shown on the Improvement Area G1A Assessment Roll attached to the Service and Assessment Plan as Exhibit F-1 and related to the Improvement Area G1A Local Projects and as summarized on Exhibit F-2 of the Service and Assessment Plan, (ii) Improvement Area G1B Assessments, as shown on the Improvement Area G1B Assessment Roll attached to the Service and Assessment Plan as Exhibit F-3 and related to the Improvement Area G1A Local Projects and as summarized on Exhibit F-4 of the Service and Assessment Plan, (iii) Improvement Area K1 Assessments, as shown on the Improvement Area K1 Assessment Roll attached to the Service and Assessment Plan as Exhibit F-5 and related to the Improvement Area K1 Local Projects and as summarized on Exhibit F-6 of the Service and Assessment Plan, and (iv) Improvement Area P1 Assessment Roll attached to the Service and Assessment Plan as Exhibit F-7 and related to the Improvement Area P1 Local Projects and as summarized on Exhibit F-8 of the Service and Assessment Plan; which annual payments include the applicable Annual Collection Costs and the Additional Interest collected on each respective annual payment of the Assessments as described in the Indenture and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

The County will covenant in the Indenture that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the



Assessments. See “— Pledged Revenue Fund,” “APPENDIX A — Form of Indenture” and “APPENDIX B — Form of Service and Assessment Plan.”

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens or claims, except liens and claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named and runs with the land. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Orders until the Assessments are paid (or otherwise discharged) and is enforceable by the Commissioners Court in the same manner that an ad valorem property tax levied against real property may be enforced by the Commissioners Court. See “ASSESSMENT PROCEDURES” herein. The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Orders. 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 Orders (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. See “BONDHOLDERS RISKS – Assessment Limitations.”

### **Unconditional Levy of Assessments**

The County expects to impose Assessments on the property within Improvement Area #1 to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Assessments levied against each Improvement Area within Improvement Area #1 shall be effective on the date of, and strictly in accordance with the terms of, the respective Assessment Order. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Order, interest on the Assessments will be calculated at the rate of interest on the Bonds plus up to 0.50%, calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated on September 1 and shall be billed in October of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the County will calculate and collect each year while the Bonds are Outstanding and unpaid, an assessment to pay the annual costs incurred by the County in the administration and operation of Improvement Area #1. The portion of each Annual Installment used to pay such annual costs shall remain in effect from year to year until all Bonds are finally paid or until the County adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The assessments to pay annual expenses shall be due in the manner set forth in the Assessment Orders on October 1 of each year and shall be delinquent if not paid by February 1 of the following year. Such assessments to pay expenses do not secure repayment of the Bonds.

There will be no discount for the early payment of Assessments. There will be no split payment of Assessments or discount for the early payment of Assessments; provided, however, that in the event a property owner elects to prepay such property owner’s assessments in full, such property owner will only be required to pay interest accrued on the Assessments to the date of such prepayment, in essence providing such property owner a discount on the interest portion of the Assessments. See “SECURITY FOR THE BONDS — Reserve Fund.”

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

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

## **Collection and Deposit of Assessments**

The Assessments shown on the Assessment Rolls, together with the interest thereon, shall first be applied to the payment of the principal of and interest on the Bonds as and to the extent provided in the Service and Assessment Plan and the Indenture.

The Assessments expected to be levied to pay the principal amount of the Bonds, together with interest thereon, are payable in Annual Installments established by the Assessment Orders and the Service and Assessment Plan to correspond, in aggregate, as nearly as practicable, to the debt service requirements for the Bonds (except for the portion of the interest rate component that are allocated for deposit to the Additional Interest Reserve Account of the Reserve Fund, as further described herein). An Assessment to pay debt service on the Bonds will be made payable in the Assessment Orders in each fiscal year preceding the date of final maturity of the Bonds which, if collected, will be sufficient, in the aggregate, to pay the principal of and interest on the Bonds. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Orders.

A record of the Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds is shown on the Assessment Rolls. Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan) shall be deposited into the Pledged Revenue Fund, except that as soon as practical (i) amounts received as Prepayments shall be deposited into the Redemption Fund and (ii) amounts received as Foreclosure Proceeds shall be deposited first to the Reserve Account of the Reserve Fund to restore any transfers from the Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, second to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Parcel(s) to which Foreclosure Proceeds relate, and third to the Redemption Fund.

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

## **Perfect Security Interest**

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the lien on and pledge of the Trust Estate and such lien and pledge is valid, 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. The County will covenant in the Indenture that should Texas law be amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the County under the Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the County agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur. See "APPENDIX A — Form of Indenture."

## **Pledged Revenue Fund**

The County will create under the Indenture a Pledged Revenue Fund to be held by the Trustee. On or before March 1 of each year while the Bonds are Outstanding and beginning March 1, 2026, the County shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the County shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with the Indenture, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with the Indenture, (iv) fourth, to pay Actual Costs of the related Improvement Area #1 Projects, and (v) fifth, to pay other costs permitted by the PID Act.

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

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

Notwithstanding the first paragraph above, the Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

Notwithstanding the first paragraph above, the Trustee shall deposit Foreclosure Proceeds (as such are identified in a County Certificate) to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, and third, to the Redemption Fund.

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

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

### **Bond Fund**

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

If amounts in the Principal and Interest Account are insufficient for the purposes set forth in the preceding paragraph above, the Trustee shall withdraw first from the Additional Interest Reserve Account of the Reserve Fund, and second from the Reserve Account of the Reserve Fund to the Bond 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.

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

<u>Date</u>	<u>Amount</u>
June 30, 2025	\$
December 31, 2025	\$
June 30, 2026	\$

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to either the Improvement Area G1A Local Projects Account of the

Project Fund, the Improvement Area G1B Local Projects Account of the Project Fund, the Improvement Area K1 Local Projects Account of the Project Fund, and/or the Improvement Area P1 Local Projects Account of the Projects Fund, pursuant to instructions included in one or more County Certificates, or if the Improvement Area G1A Local Projects Account of the Project Fund, the Improvement Area G1B Local Projects Account of the Project Fund, the Improvement Area K1 Local Projects Account of the Project Fund, and the Improvement Area P1 Local Projects Account of the Projects Fund have been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

## **Project Fund**

Moneys 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 County Certificates or an executed, completed, and accepted Closing Disbursement Request.

Disbursements from the Improvement Area G1A Local Projects Account of the Project Fund to pay Actual Costs of the Improvement Area G1A Local Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the County or its designee approving the disbursement to the Zone G Developer or the Zone G Developer's designee. The disbursement of funds from the Improvement Area G1A Local Projects Account pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the G1A Construction, Funding, and Acquisition Agreement.

Disbursements from the Improvement Area G1B Local Projects Account of the Project Fund to pay Actual Costs of the Improvement Area G1B Local Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the County or its designee approving the disbursement to the Zone G Developer or the Zone G Developer's designee. The disbursement of funds from the Improvement Area G1B Local Projects Account pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the G1B Construction, Funding, and Acquisition Agreement.

Disbursements from the Improvement Area K1 Local Projects Account of the Project Fund to pay Actual Costs of the Improvement Area K1 Local Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the County or its designee approving the disbursement to the Zone K Developer or the Zone K Developer's designee. The disbursement of funds from the Improvement Area K1 Local Projects Account pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the K1 Construction, Funding, and Acquisition Agreement.

Disbursements from the Improvement Area P1 Local Projects Account of the Project Fund to pay Actual Costs of the Improvement Area P1 Local Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the County or its designee approving the disbursement to the Zone P Developer or the Zone P Developer's designee. The disbursement of funds from the Improvement Area P1 Local Projects Account pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the P1 Construction, Funding, and Acquisition Agreement.

If the County Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area G1A Local Projects Account of the Project Fund, the Improvement Area G1B Local Projects Account of the Project Fund, the Improvement Area K1 Local Projects Account of the Project Fund or the Improvement Area P1 Local Projects Account of the Project Fund are not expected to be expended for purposes of such Account due to the abandonment, or constructive abandonment, of the Improvement Area G1A Local Projects, the Improvement Area G1B Local Projects, the Improvement Area K1 Local Projects, or the Improvement Area P1 Local Projects, as applicable, such that, in the opinion of the County Representative, it is unlikely that the amounts in the Improvement Area G1A Local Projects Account of the Project Fund, the Improvement Area G1B Local Projects Account of the Project Fund, the Improvement Area K1 Local Projects Account of the Project Fund or the

Improvement Area P1 Local Projects Account of the Project Fund will ever be expended for the purposes of such Account, the County Representative shall file a County Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area G1A Local Projects Account of the Project Fund, the Improvement Area G1B Local Projects Account of the Project Fund, the Improvement Area K1 Local Projects Account of the Project Fund and/or the Improvement Area P1 Local Projects Account of the Project Fund that are not expected to be used for purposes of such Account. If such County Certificate is so filed, the amounts identified in the County Certificate on deposit in the Improvement Area G1A Local Projects Account of the Project Fund, the Improvement Area G1B Local Projects Account of the Project Fund, the Improvement Area K1 Local Projects Account of the Project Fund and/or the Improvement Area P1 Local Projects Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

In making any determination under this subheading, the County Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

Upon the filing of a County Certificate stating that all Improvement Area G1A Local Projects have been completed and that all Actual Costs of the Improvement Area G1A Local Projects have been paid, or that any such Actual Costs of the Improvement Area G1A Local Projects are not required to be paid from the Improvement Area G1A Local Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the County or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area G1A Local Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture as directed by the County Representative in a County Certificate filed with the Trustee, and (ii) shall close the Improvement Area G1A Local Projects Account of the Project Fund. Upon the filing of a County Certificate stating that all Improvement Area G1B Local Projects have been completed and that all Actual Costs of the Improvement Area G1B Local Projects have been paid, or that any such Actual Costs of the Improvement Area G1B Local Projects are not required to be paid from the Improvement Area G1B Local Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the County or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area G1B Local Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture as directed by the County Representative in a County Certificate filed with the Trustee, and (ii) shall close the Improvement Area G1B Local Projects Account of the Project Fund. Upon the filing of a County Certificate stating that all Improvement Area K1 Local Projects have been completed and that all Actual Costs of the Improvement Area K1 Local Projects have been paid, or that any such Actual Costs of the Improvement Area K1 Local Projects are not required to be paid from the Improvement Area K1 Local Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the County or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area K1 Local Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture as directed by the County Representative in a County Certificate filed with the Trustee, and (ii) shall close the Improvement Area K1 Local Projects Account of the Project Fund. Upon the filing of a County Certificate stating that all Improvement Area P1 Local Projects have been completed and that all Actual Costs of the Improvement Area P1 Local Projects have been paid, or that any such Actual Costs of the Improvement Area P1 Local Projects are not required to be paid from the Improvement Area P1 Local Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the County or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area P1 Local Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to the Indenture as directed by the County Representative in a County Certificate filed with the Trustee, and (ii) shall close the Improvement Area P1 Local Projects Account of the Project Fund. If the Improvement Area G1A Local Projects Account, the Improvement Area G1B Local Projects Account, the Improvement Area K1 Local Projects Account, and the Improvement Area P1 Local Projects Account have been closed as provided above and the Costs of Issuance Account of the Project Fund has been closed pursuant to the provisions of the Indenture, the Project Fund shall be closed.

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

## Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund for the benefit of the Bonds and held by the Trustee and will be funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the “Reserve Account Requirement” for the Bonds shall be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds as of the Closing Date, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds, however, that such amount shall be reduced by the amount of any transfers made in connection with an extraordinary optional redemption as described in the next following paragraph. As of the Closing Date for the Bonds, the Reserve Account Requirement is \$ \_\_\_\_\_.

Pursuant to the Indenture, an Additional Interest Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. The County will agree to accumulate from the deposits described in the Indenture, and when accumulated, maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement except to the extent such deficiency is due to the application of the sixth paragraph in this section. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in the Indenture. The Additional Interest Reserve Requirement is an amount equal to 5.5% of the principal amount of the Outstanding Bonds to be funded from Assessment Revenues to be deposited to the Pledged Revenue Fund and transferred to the Additional Interest Reserve Account. See “APPENDIX A – Form of Indenture” and “APPENDIX B – Form of Service and Assessment Plan”

The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on June 30 and December 31 of each year, commencing June 30, 2026, an amount equal to the Additional Interest collected, if any, and as shown on the Assessment Rolls attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any later time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the County, in writing, of the amount of such shortfall, and the County shall resume collecting the Additional Interest and shall file a County Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the County shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to the Indenture.

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

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

Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to the Indenture, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the County and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a County Certificate to be applied to the redemption of the Bonds as detailed in the County’s written direction. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the

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

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

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

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

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

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

### **Administrative Fund**

The County will create under the Indenture an Administrative Fund held by the Trustee. Upon receipt, the County shall deposit or cause to be deposited to the District Administration Account of the Administrative Fund the amounts collected each year to pay Annual Collection Costs and Delinquent Collection Costs as set forth in the Service and Assessment Plan. See “APPENDIX B — Form of Service and Assessment Plan.”

**THE ADMINISTRATIVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS.**

### **Defeasance**

All Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to

their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee for such purpose, shall be sufficient to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant or other authorized third-party selected by the County verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed in writing by the County maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

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

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

## **Events of Default**

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

1. The failure of the County to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;
2. The failure of the County to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;
3. The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the County to make the payments; and



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

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

### **Remedies in Event of Default**

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

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

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

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of the Indenture. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the County, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the County shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the 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 under the Indenture, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted to the Trustee in the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers granted in the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least a majority of the aggregate principal amount of the Bonds

then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, 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.

Nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the County to pay each Bond issued under the Indenture to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

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

#### **Application of Revenues and Other Moneys After Event of Default**

All moneys, securities, funds and Pledged Revenues 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 Indenture shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee, and the fees of the Trustee in carrying out the Indenture, during the continuance of an Event of Default, notwithstanding “— Remedies in Event of Default” above, shall be applied by the Trustee, on behalf of the County, to the payment of interest and principal or Redemption Price then due on the Bonds, as follows:

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

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

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

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

The restoration of the County to its prior position after any and all defaults have been cured, as provided in “— Restriction on Owner’s Actions” 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 shall be invested by the Trustee as directed by the County pursuant to a County Certificate filed with the Trustee at least two days in advance of the

making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in the Indenture) on the Bonds, unless and until the County receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default.

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

#### **Additional Obligation or Other Liens**

The County reserves the right, subject to the provisions contained in the Indenture, to issue Additional Obligations under other indentures, assessment orders, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues. Additionally, the County has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues or assessments levied against the Assessed Property so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds.

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

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

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

## SOURCES AND USES OF FUNDS

The following table summarizes the sources and uses of proceeds of the Bonds:

Sources of Funds:

Principal Amount	\$
Total Sources	\$

Uses of Funds:

Deposit to Improvement Area G1A Local Projects Account of the Project Fund	
Deposit to Improvement Area G1B Local Projects Account of the Project Fund	
Deposit to Improvement Area K1 Local Projects Account of the Project Fund	
Deposit to Improvement Area P1 Local Projects Account of the Project Fund	
Deposit to Capitalized Interest Account of the Bond Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to District Administration Account of the Administrative Fund	
Deposit to Costs of Issuance Account of the Project Fund	
Underwriter's Discount <sup>(1)</sup>	
Total Uses	\$

<sup>(1)</sup> Includes Underwriter's Counsel's fee of \$\_\_\_\_\_.

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## DEBT SERVICE REQUIREMENTS

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

<u>Year Ending</u> <u>(December 31)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$	\$	\$
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
<b>Total</b>	<b>150</b>	<b>150</b>	<b>150</b>

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## OVERLAPPING TAXES AND DEBT

### Overlapping Taxes and Debt

The land within the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the County. In addition to the Assessments, and ad valorem taxes levied by the County, Celina Independent School District (in a portion of the District located in Tracts 3-8), Prosper Independent School District (in a portion of the District located in Tracts 9-12) and SRWCID No. 2 may levy ad valorem taxes upon land in the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The County has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities.

The following tables reflect the estimated overlapping ad valorem tax rates and overlapping indebtedness payable from ad valorem taxes with respect to Assessed Property within Improvement Area #1, as well as County debt secured by the Assessments, after delivery of the Bonds.

#### OVERLAPPING TAX RATES (PROPERTY IN IMPROVEMENT AREA #1)

<u>Taxing Entity</u> <sup>(1)</sup>	(Celina ISD property) Tax Year 2024 <u>Ad Valorem Tax Rate</u> <sup>(2)</sup>	(Prosper ISD Property) Tax Year 2024 <u>Ad Valorem Tax Rate</u> <sup>(2)</sup>
The County	\$0.187869	\$0.187869
Celina Independent School District	1.235800	-----
Prosper Independent School District	-----	<u>1.255200</u>
Total Existing Tax Rate	<u>\$1.423669</u>	<u>\$1.443069</u>
 <b>Estimated Average Annual Installment as tax rate equivalent</b> <sup>(3)</sup>	 <u>\$0.951269</u>	 <u>\$0.976418</u>
 <b>Estimated average annual installment of Major Improvement Area Assessments as tax rate equivalent</b> <sup>(4)</sup>	 <u>\$0.367782</u>	 <u>\$0.367782</u>
 <b>Estimated Total Tax Rate, Average Annual Installment and average annual installment of Major Improvement Area Assessments as tax rate equivalent</b> <sup>(3)</sup>	 <u>\$2.742720</u>	 <u>\$2.787269</u>

(1) The property in the District lies within the SRWCID No. 2, which is authorized to levy a maintenance tax of up to \$1.00 and to issue bonds secured by ad valorem taxes. SRWCID No. 2 has not yet levied such maintenance or debt service tax or issued bonds secured by ad valorem taxes. SRWCID No. 2 expects to levy an ad valorem tax in the amount up to \$0.10/\$100 in taxable assessed value for maintenance and operations in the future. See “THE DEVELOPMENT – Smiley Road Water Control and Improvement District No. 2.”

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

(3) Source: The Administrator. Equivalent tax rate of the highest estimated average annual installment in Improvement Area #1. Estimated Average Annual Installments of the Improvement Area #1 Assessments range from \$0.835443 to \$0.976418. *Preliminary, subject to change.*

(4) Source: The Administrator. Derived from information presented in the Service and Assessment Plan and based on a weighted average across lot types. *Preliminary, subject to change.*

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. Additionally, the boundaries of the Improvement Area #1 also lie within the Major Improvement Area and the land within Improvement Area #1 is also subject to the Major Improvement Area Assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to the Assessed Property and County debt secured by the Assessments:

**OVERLAPPING DEBT**

<u>Taxing or Assessing Entity</u>	<u>Gross Outstanding Debt as of 2/15/2025</u>	<u>Estimated Percentage Applicable</u>	<u>Direct and Estimated Overlapping Debt<sup>(1),(2)</sup></u>
The County (Assessments - The Bonds) <sup>(2)</sup>	\$ 64,142,000	100.000%	\$64,142,000
The County (Major Improvement Area Bonds) <sup>(2)</sup>	82,239,000	34.480% <sup>(3)</sup>	28,355,861
The County	673,670,000	0.165% <sup>(1)</sup>	382,200
Prosper Independent School District	2,140,947,968	0.687% <sup>(4)</sup>	5,543,031
Celina Independent School District	<u>484,275,000</u>	3.111% <sup>(4)</sup>	<u>4,763,517</u>
TOTAL	<u>\$3,445,273,968</u>		<u>\$103,186,609</u>

<sup>(1)</sup> Based on the Appraisal for Improvement Area #1 in the District and on the Tax Year 2024 Net Taxable Assessed Valuations for the taxing entities.

<sup>(2)</sup> Preliminary, subject to change.

<sup>(3)</sup> Calculated based on the ratio of the estimated value of Improvement Area #1 set forth in the Appraisal to the total estimated value of property in the District set forth in the Appraisal.

<sup>(4)</sup> Calculated based on the estimated value of lots provided in the Appraisal multiplied by the approximate number of lots located in the applicable school district.

Source: Municipal Advisory Council of Texas

If land is devoted principally to agricultural use, a landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land’s agricultural value. The majority of the property in the District is currently subject to an agricultural use valuation with respect to its ad valorem taxes. 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. A portion of the property in the District is subject to hay and/or grazing leases. These leases and lessees’ operations on the property allow the property to maintain its agricultural valuation. The Master Developer expects that the leases with respect to Improvement Area #1 will be terminated in 2025.

If land qualified for an agricultural valuation but the land use changes to a non-agricultural use, “rollback taxes” are assessed for each of the previous 3 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 for which use changed and not for the entire tract.

Under Texas law, an owner of land that is entitled to an agricultural valuation has the right to redeem such property after a tax sale for delinquent ad valorem property taxes for a period of two years after the tax sale by paying to the tax sale purchaser a 25% premium, if redeemed during the first year, or a 50% premium, if redeemed during the second year, over the purchase price paid at the tax sale and certain qualifying costs incurred by the purchaser.

It is expected that rollback taxes will be paid by the Builder Pod Developers during development of their respective areas prior to purchase of parcels or lots by homeowners.

**Homeowners’ Association**

In addition to the Assessments and taxes described above, the Master Developer anticipates that each lot owner in the District will pay a maintenance and operation fee to a homeowners association (“HOA”) formed to encompass the Green Meadows Development. Currently, monthly dues for the HOA are \$148/month for 50’ lots, \$152/month for 55’ lots, \$156/month for 60’ lots, \$160/month for 65’ lots, and \$172/month for 70’ lots.

**ASSESSMENT PROCEDURES**

**General**

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the County determined to defray the costs of the Improvement Area #1 Authorized Improvements through Assessments, it adopted a resolution

generally describing the Improvement Area #1 Authorized Improvements and the land within Improvement Area #1 to be subject to Assessments to pay the cost therefor. The County has caused an assessment roll for Improvement Area G1A, Improvement Area G1B, Improvement Area K1, and Improvement Area P1 to be prepared (collectively, the “Assessment Rolls”), which Assessment Rolls show the land within Improvement Area #1 to be assessed, the amount of the benefit to and the respective Assessment against each lot or parcel of land and the number of Annual Installments in which the respective Assessment is divided. The Assessment Rolls were filed with the County Clerk and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and public hearings will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #1 Authorized Improvements and funding the same with Assessments. The County expects to levy the Assessments and adopt the Assessment Orders immediately prior to adopting the Bond Order. After each such adoption, the respective Assessments will become legal, valid and binding liens upon the property against which the Assessments have been made.

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

### **Assessment Methodology**

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Improvement Area #1 Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the County allocates the special benefit of the Improvement Area #1 Authorized Improvements to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, the costs of the Improvement Area #1 Authorized Improvements are expected to be funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Assessment Revenues. As set forth in the Service and Assessment Plan, the Commissioners Court has determined that the Actual Costs (as defined in the Service and Assessment Plan) associated with the Improvement Area #1 Authorized Improvements will be allocated amongst each Improvement Area within Improvement Area #1 and within each Improvement Area within Improvement Area #1 to the Assessed Property by spreading the entire respective Assessment across all Parcels and Lots within such Improvement Area of Improvement Area #1 based on the ratio of estimated build out value of each Parcel or Lot to the estimated buildout value for all Parcels or Lots within such Improvement Area of Improvement Area #1.

The following tables provide additional analysis with respect to special assessment methodology for the Assessments and the Major Improvement Area Assessments on property in Improvement Area #1, including the value to assessment burden ratio per unit (lot), equivalent tax rate per unit, and leverage per unit. The information in the tables was obtained from and calculated using information provided in the Service and Assessment Plan. See “APPENDIX B — Form of Service and Assessment Plan.”

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**IA G1A Assessment Per Lot, Projected Leverage and Tax Rate Equivalent**

Lot Type	Quantity	Projected Finished Lot Value	Projected Home Value	IA G1A Assessment per Lot	Allocated MIA Assessment per Lot	Total Assessment per Lot	Finished Lot VTL to Total Combined Assessment	Finished Home VTL to Total Combined Assessment	IA G1A Average Annual Installment per Lot	MIA Allocated Average Annual Installment per Lot	Combined Average Annual Installment per Lot	Combined TRE (Per \$100 Lot Value)	Combined TRE (Per \$100 Home Value)
G1A-50'	78	\$ 143,000	\$ 650,000	\$ 80,325	\$ 28,955	\$ 109,280	1.31	5.95	\$ 6,328	\$ 2,374	\$ 8,702	\$ 6.09	\$ 1.34
G1A-60'	55	\$ 157,000	\$ 780,000	\$ 96,390	\$ 33,053	\$ 129,443	1.21	6.03	\$ 7,593	\$ 2,710	\$ 10,303	\$ 6.56	\$ 1.32
G1A-70'	73	\$ 186,000	\$ 910,000	\$ 112,455	\$ 37,464	\$ 149,919	1.24	6.07	\$ 8,859	\$ 3,072	\$ 11,931	\$ 6.41	\$ 1.31
<b>Total / Average</b>	<b>206</b>	<b>\$ 161,976</b>	<b>\$ 776,845</b>	<b>\$ 96,000</b>	<b>\$ 33,064</b>	<b>\$ 129,064</b>	<b>1.25</b>	<b>6.02</b>					

**IA G1B Assessment Per Lot, Projected Leverage and Tax Rate Equivalent**

Lot Type	Quantity	Projected Finished Lot Value	Projected Home Value	IA G1B Assessment per Lot	Allocated MIA Assessment per Lot	Total Assessment per Lot	Finished Lot VTL to Total Combined Assessment	Finished Home VTL to Total Combined Assessment	IA G1B Average Annual Installment per Lot	MIA Allocated Average Annual Installment per Lot	Combined Average Annual Installment per Lot	Combined TRE (Per \$100 Lot Value)	Combined TRE (Per \$100 Home Value)
G1B-50'	78	\$ 143,000	\$ 650,000	\$ 80,088	\$ 28,955	\$ 109,043	1.31	5.96	\$ 6,347	\$ 2,374	\$ 8,721	\$ 6.10	\$ 1.34
G1B-60'	73	\$ 157,000	\$ 780,000	\$ 96,105	\$ 33,053	\$ 129,158	1.22	6.04	\$ 7,616	\$ 2,710	\$ 10,326	\$ 6.58	\$ 1.32
G1B-70'	28	\$ 186,000	\$ 910,000	\$ 112,123	\$ 37,464	\$ 149,587	1.24	6.08	\$ 8,885	\$ 3,072	\$ 11,957	\$ 6.43	\$ 1.31
<b>Total / Average</b>	<b>179</b>	<b>\$ 155,436</b>	<b>\$ 743,687</b>	<b>\$ 91,631</b>	<b>\$ 31,957</b>	<b>\$ 123,589</b>	<b>1.26</b>	<b>6.02</b>					

**IA K1 Assessment Per Lot, Projected Leverage and Tax Rate Equivalent**

Lot Type	Quantity	Projected Finished Lot Value	Projected Home Value	IA K1 Assessment per Lot	Allocated MIA Assessment per Lot	Total Assessment per Lot	Finished Lot VTL to Total Combined Assessment	Finished Home VTL to Total Combined Assessment	IA K1 Average Annual Installment per Lot	MIA Allocated Average Annual Installment per Lot	Combined Average Annual Installment per Lot	Combined TRE (Per \$100 Lot Value)	Combined TRE (Per \$100 Home Value)
K1-50'	37	\$ 143,000	\$ 685,000	\$ 79,971	\$ 28,955	\$ 108,926	1.31	6.29	\$ 6,516	\$ 2,374	\$ 8,890	\$ 6.22	\$ 1.30
K1-60'	35	\$ 157,000	\$ 799,000	\$ 93,280	\$ 33,053	\$ 126,333	1.24	6.32	\$ 7,601	\$ 2,710	\$ 10,311	\$ 6.57	\$ 1.29
K1-70'	27	\$ 186,000	\$ 902,000	\$ 105,305	\$ 37,464	\$ 142,769	1.30	6.32	\$ 8,580	\$ 3,072	\$ 11,652	\$ 6.26	\$ 1.29
<b>Total / Average</b>	<b>99</b>	<b>\$ 159,677</b>	<b>\$ 784,485</b>	<b>\$ 91,586</b>	<b>\$ 32,724</b>	<b>\$ 124,310</b>	<b>1.28</b>	<b>6.31</b>					

**IA P1 Assessment Per Lot, Projected Leverage and Tax Rate Equivalent**

Lot Type	Quantity	Projected Finished Lot Value	Projected Home Value	IA P1 Assessment per Lot	Allocated MIA Assessment per Lot	Total Assessment per Lot	Finished Lot VTL to Total Combined Assessment	Finished Home VTL to Total Combined Assessment	IA P1 Average Annual Installment per Lot	MIA Allocated Average Annual Installment per Lot	Combined Average Annual Installment per Lot	Combined TRE (Per \$100 Lot Value)	Combined TRE (Per \$100 Home Value)
P1-50'	128	\$ 143,000	\$ 640,000	\$ 67,781	\$ 28,955	\$ 96,736	1.48	6.62	\$ 5,347	\$ 2,374	\$ 7,721	\$ 5.40	\$ 1.21
P1-60'	69	\$ 157,000	\$ 685,000	\$ 72,546	\$ 33,053	\$ 105,599	1.49	6.49	\$ 5,723	\$ 2,710	\$ 8,433	\$ 5.37	\$ 1.23
P1-70'	67	\$ 186,000	\$ 735,000	\$ 77,842	\$ 37,464	\$ 115,306	1.61	6.37	\$ 6,141	\$ 3,072	\$ 9,213	\$ 4.95	\$ 1.25
<b>Total / Average</b>	<b>264</b>	<b>\$ 157,572</b>	<b>\$ 675,871</b>	<b>\$ 71,580</b>	<b>\$ 32,186</b>	<b>\$ 103,765</b>	<b>1.52</b>	<b>6.51</b>					

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

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The estimated market value of the assessable property in Improvement Area #1, as provided in the Appraisal and subject to the limiting conditions therein, including the extraordinary assumption that the Improvement Area #1 Projects and the Major Improvements are completed, is approximately \$109,320,000. See “THE DEVELOPMENT — Development Plan” for further information regarding the expected completion of the development within the District, “APPRAISAL” and “APPENDIX E – Appraisal.”

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

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

### **Collection and Enforcement of Assessment Amounts**

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the County. The Assessments may be enforced by the County in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the 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 County will covenant to collect, or cause to be collected, Assessments as provided in the Assessment Orders. No less frequently than annually, County staff or a designee of the County shall prepare, and the Commissioners Court shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and a calculation of the Annual Installment for each Assessed Parcel. Annual Collection Costs shall be allocated among all Assessed Property in proportion to the amount of the Annual Installments for each Parcel.

In the Indenture, the County will covenant, agree and warrant that, for so long as any Bonds are Outstanding, and/or amounts are due to the Builder Pod Developers to pay any of them for funds such Builder Pod Developer has contributed to pay Actual Costs of the Improvement Area #1 Projects in accordance with the applicable Construction, Funding and Acquisition Agreement, that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

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

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

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

The County 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 funds on deposit in the Administrative Fund.

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

<u>Date Payment Received</u>	<u>Cumulative Penalty</u>	<u>Cumulative 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 Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

**Assessment Amounts**

Assessment Amounts. The maximum amounts of the Assessments will be established by the methodology described in the Service and Assessment Plan. The Assessment Rolls set forth for each year the Annual Installment for each Assessed Parcel consisting of the annual payment allocable to the Bonds and the Improvement Area #1 Authorized Improvements for each Assessed Parcel, which amount includes (i) the Additional Interest Component and (ii) the annual payment allocable to Annual Collection Costs. The Annual Installments for the Assessments may not exceed the amounts shown on the Assessment Rolls. The Assessments will be levied against the parcels comprising the Assessed Property within each Improvement Area within Improvement Area #1 as indicated on the Assessment Rolls. See “APPENDIX B — Form of Service and Assessment Plan”

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

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the Commissioners Court has determined that the Assessments shall be initially allocated to the Assessed Parcels within each Improvement Area within Improvement Area #1 based on the ratio of estimated build out value of each Parcel designated as Assessed Property in each Improvement Area of Improvement Area #1 to the estimated build out value of all Assessed Property in such Improvement Area of Improvement Area #1.

Division Prior to Recording of Subdivision Plat. Upon the division of any Assessed Property prior to 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 of the newly divided Assessed Properties

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 State law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to the Service and Assessment Plan approved by the Commissioners Court.

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 the Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all newly subdivided Lots with the same Lot Type

D = the sum of the Estimated Buildout Value for all 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 Owners shall provide the County an Estimated Buildout Value per each applicable Lot Type 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 Improvement Area #1 Assessment for a Lot shall be performed by the Administrator and confirmed by the Commissioners Court based on the respective Estimated Buildout Value, relying on information provided by the Owners, 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 and per each assessment, including both the Assessments and the Major Improvement Area Assessments, levied against the 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 Service and Assessment Plan approved by the Commissioners Court.

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 Commissioners Court in the next Annual Service Plan Update. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to the terms of the Service and Assessment Plan.

Maximum Assessment. Notwithstanding the foregoing, the Service and Assessment Plan establishes a “Maximum Assessment” for each lot type in Improvement Area #1, which Maximum Assessment is currently calculated as shown in the column “Assessment Per Lot” in the respective charts for each Improvement Area set forth under “ASSESSMENT PROCEDURES – Assessment Amounts” above. See “APPENDIX B — Form of Service and Assessment Plan.”

*Reduction of Assessments.* If, as a result of cost saving or an Improvement Area #1 Authorized Improvement not being constructed, the Actual Costs of completed Improvement Area #1 Authorized Improvements are less than the Assessments levied for the payment thereof, the Trustee shall be instructed by the County to apply amounts on deposit in the applicable account of the Project Fund relating to the Bonds that are not expected to be used for purposes of the respective Project Fund, to redeem outstanding Bonds, unless otherwise directed by the County pursuant to the terms and in accordance with the Indenture. The Assessments shall not, however, in the aggregate be reduced to an amount less than the outstanding Bonds.

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

**Assessment Payer Concentration**

The following table shows the Assessment payer concentration in Improvement Area #1 of the District, as of February 1, 2025.

<b><u>Assessment Payer Concentration</u></b>			
	<u>Property Owner</u>	<u>Assessments</u>	<u>Percentage of Assessments</u>
PHLH		\$18,040,741	28.13%
GM-Celina, LP		856,259	1.33
Grand Oaks Residential Development, LLC		36,178,000	56.40
WFGM		9,067,000	14.14
<b>Total</b>		<b>\$64,142,000</b>	<b>100.00%</b>

**Prepayment of Assessments**

The Indenture and the Service and Assessment Plan provide for certain optional and mandatory prepayments as described below (each, a “Prepayment”). To the extent that any Assessment is prepaid, the lien on real property associated with such Assessment prepayment shall be released and any rights of the Trustee and the bond owners to request the County to proceed with foreclosure procedures for the purpose of protecting and enforcing the rights of the bond owners with respect to such property shall terminate.

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

If a Prepayment, including all applicable Prepayment Costs, is received from a Lot that is subject to more than one assessment, including property subject to the Assessments and the Major Improvement Area Assessments, such Prepayment shall be applied as described a pro rata basis against each assessment levied against such Property unless otherwise directed by the owner making such Prepayment.

*Mandatory Prepayment of Assessments—Transfer to Exempt Entity.* If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefited Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefited Property shall pay to the County or the Administrator on behalf of the County the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer. If a reallocation causes the Assessment for any successor parcel to exceed the Maximum Assessment, the owner of the Parcel being reallocated 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.* The Administrator will review the final preliminary plat and/or site plan for Improvement Area #1 to (1) calculate the Assessment applicable to each Lot and (2) determine if such plat and/or site plan will or will not result in the Assessment per Lot for any Lot Type within the preliminary

plat and/or site plan exceeding the applicable Maximum Assessment. If the Administrator determines that the preliminary plat and/or site plan results in an Assessment per Lot for any Lot Type exceeding the applicable Maximum Assessment, prior to the County approving the final plat for any such Lot described in the reviewed preliminary plat and/or site plan, the person or entity filing such site plan will make a Prepayment in an amount sufficient to reduce the Assessment levied against such property to equal the applicable Maximum Assessment.

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property), (the “Remaining Property”) following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner 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 Assessment that remains due on the Remaining Property, subject to an adjustment in the Annual Installments applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable 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 such Maximum Assessment, in which case the Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the County receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the assessment on the Remaining Property.

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres of 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 by \$90 and the Annual Installments adjusted accordingly.

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

### **Priority of Lien**

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

## **Foreclosure Proceedings**

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

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

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

In the Indenture, the County will create the Additional Interest Reserve Account under the Reserve Fund and will fund such account as provided in the Indenture. The County 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 "SECURITY FOR THE BONDS – Reserve Fund," "APPENDIX A – Form of Indenture" and "APPENDIX B – Form of Service and Assessment Plan."

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## THE COUNTY

### Background

The County is located in the north central part of the State encompassing approximately 953 square miles. The County is considered to be a top growth area in the State, and one of the top growth areas in the country. Major cities in the County include Denton, the County seat, Lewisville, Flower Mound and Carrollton. The County is a political subdivision of the State and operates under the statutes and the Constitution of the State. The County is the ninth most populous county in the State. The 2020 U.S. Census for the County was 906,422 and the most currently estimated population is 1,036,720.

### County Government

The Commissioners Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Section 18 of the Texas Constitution. The Commissioners Court is responsible, among other things, for adopting the budget and for setting policies. The current members of the Commissioners Court and their respective expiration of terms of office and the principal administrators of the County are set forth on page ii hereof.

### Major Employers

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

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
University of North Texas	Education	10,600
Lewisville ISD	Education	6,554
Denton ISD	Education	4,690
Medical City Hospitals	Healthcare	3,729
Peterbilt Motors	Manufacturing	3,375
Texas Women’s University	Education	2,734
City of Denton	Government	1,967
Denton County	Government	1,715
Denton State School	Education	1,312
OrthoFix	Medical Products	1,267

*Source: 2023 Denton County Annual Comprehensive Financial Report*

### Historical Employment in Denton County

	Average Annual				
	2024 <sup>(1)</sup>	2023	2022	2021	2020
Civilian Labor Force	587,818	568,450	551,918	529,274	511,246
Total Employed	568,667	548,549	533,977	505,915	478,345
Total Unemployed	19,151	19,901	17,941	23,359	32,901
Unemployment Rate	3.3%	3.5%	3.3%	4.4%	6.4%

*Source: Texas Workforce Commission.*

<sup>(1)</sup> Data through December 2024.

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## Surrounding Economic Activity

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

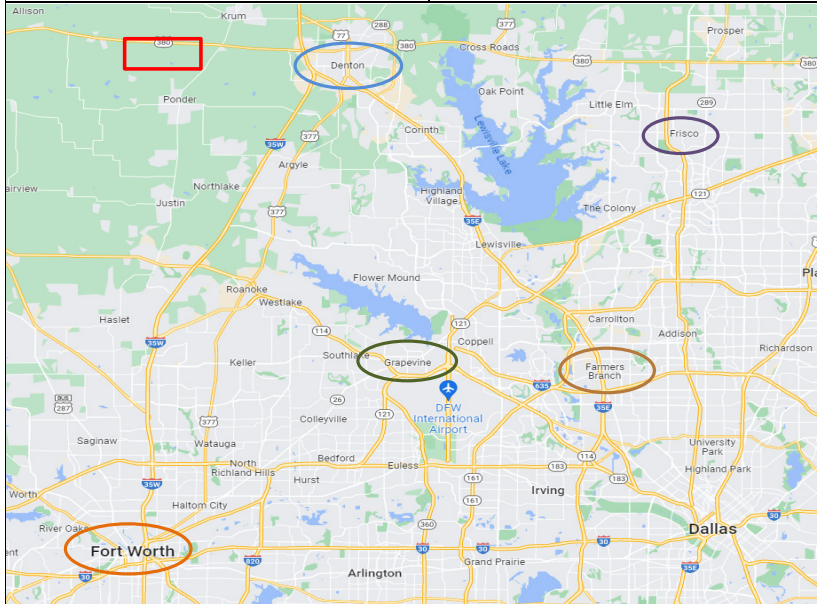
City of Denton		City of Frisco		City of Fort Worth	
Approximately 10 miles from the City		Approximately 33 miles from the City		Approximately 36 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
University of North Texas	8,891	Frisco ISD	8,799	AMR Corp./American Airlines	40,600
Denton ISD	4,331	City of Frisco	1,738	Lockheed Martin Tactical Aircraft Systems	23,000
Peterbilt Motors-Headquarters & Plant	2,000	T-Mobile USA	1,322	Forth Worth ISD	11,000
Denton County	1,822	Keurig Dr. Pepper Inc.	1,213	JPS Health Network/John Peter Smith Hosp.	7,200
Denton State Supported Living Center	1,146	TIAA	906	City of Fort Worth	7,100
City of Denton	1,104	Conifer	903	NAS Fort Worth Joint Reserve Base	5,200
Texas Presbyterian Hospital	1,100	Baylor Scott & White/Centennial Hospital	663	Alcon Laboratories Inc.	5,100
Texas Women's University	1,077	Dallas Cowboys Football Club	471	Tarrant County College	4,900
Sally Beauty Holdings, Inc.	1,000	Baylor Medical Center (Warren Parkway)	460	Bell Helicopter - Textron Inc.	3,800
Medical City Denton	799	Lexipol	420	Burlington Northern Santa Fe LLC	2,500

City of Grapevine	
Approximately 30 miles from the City	
Employer	Employees
Gaylord Texan Resort & Convention Ctr.	2,000
Dallas/Ft. Worth Int'l Airport	1,970
Grapevine-Colleyville ISD	1,870
Paycom	990
Baylor Medical	660
Great Wolf Lodge	600
City of Grapevine	590
Boeing Distribution	500
Hyat Regency DFW	500
Kubota	450

City of Farmers Branch	
Approximately 35 miles from the City	
Employer	Employees
Federal Government - IRS	1,200
Feizy	1,170
Anserteam LLC	1,001
Telvista	1,000
TD Industries	900
Haggar Clothing Co.	750
Monitronics Securities	700
IBM Corp.	700
Encore Enterprises Inc.	650
Glazer's Wholesale Drug Co.	650



Source: Municipal Advisory Council of Texas

## THE DISTRICT

### General

The PID Act authorizes political subdivisions such as the County to create public improvement districts within their boundaries, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by the Creation Resolution for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Projects, authorized by the PID Act and approved by the Commissioners Court that confer a special benefit on the District property being developed. The District is not a separate political subdivision of the State and is governed by the Commissioners Court. A map of the property within the District is included on page iv hereof.

### Powers and Authority

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

Pursuant to the PID Act and the Creation Resolution, the County has the power to undertake, or pay 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

County has determined to undertake the construction, acquisition or purchase of certain Authorized Improvements (as defined in the Service and Assessment Plan) within the District and outside of the District, including the Improvement Area #1 Projects, and to finance the costs thereof through the issuance of the Bonds. The County has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See “ASSESSMENT PROCEDURES” herein and “APPENDIX B — Form of Service and Assessment Plan.”

## THE IMPROVEMENT AREA #1 PROJECTS

### General

The Improvement Area #1 Projects consist of the Improvement Area G1A Local Projects, Improvement Area G1B Local Projects, Improvement Area K1 Local Projects and Improvement Area P1 Local Projects. The applicable Builder Pod Developer is responsible for the completion of the construction, acquisition or purchase of the Improvement Area G1A Local Projects, Improvement Area G1B Local Projects, Improvement Area K1 Local Projects and Improvement Area P1 Local Projects as described herein, and the applicable Builder Pod Developer or its designee, including the fee developers described herein, will act as construction manager. The Builder Pod Developers will submit payment requests on a monthly basis for costs actually incurred in developing and constructing their respective portions of the Improvement Area #1 Projects and be paid in accordance with the Indenture and the applicable Construction, Funding, and Acquisition Agreement. See “THE DEVELOPMENT – Development Plan” and “– Builder Pod Developer Purchase and Sale Agreements.” Capitalized terms used under this heading and not defined herein shall have the meanings ascribed to them in the Service and Assessment Plan.

Descriptions of the Improvement Area #1 Projects are below.

### **Zone G Improvements**

*Road Improvements:* The roadway improvements consist of right of way dedication and construction of collector roads, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all of Zone G. The roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

*Water Improvements:* The water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include raw water transmission lines, water lines, mains, valves, fire hydrants, as well as related testing, trench safety and erosion protection, necessary to serve Zone G. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

*Storm Drainage:* The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve Zone G. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

*Soft and Miscellaneous Costs:* The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Zone G Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency.

### **Improvement Area G1A Local Improvements**

*Road Improvements:* The roadway improvements consist of right of way dedication and construction of collector roads and local subdivision streets, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all Improvement Area G1A Assessed Property. The roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

*Water Improvements:* The water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include raw water transmission lines, water lines, mains, valves, fire hydrants, as well as related testing,

trench safety and erosion protection, necessary to serve the Improvement Area G1A Assessed Property. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

Sanitary Sewer: The sanitary sewer improvements consist of force mains and gravity collection system improvements including construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area G1A Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

Storm Drainage: The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve the Improvement Area G1A Assessed Property. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

Soft and Miscellaneous Costs: The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Improvement Area G1A Local Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency, costs associated with financing the Improvement Area G1A Local Improvements.

District Formation Costs: The costs associated with forming and operating the District and allocable to Improvement Area G1A at this time, including attorney fees and any other cost or expense incurred by the County or the Master Developer or the Owner(s) directly associated with the establishment of the District.

### **Improvement Area G1B Local Improvements**

Road Improvements: The roadway improvements consist of right of way dedication and construction of collector roads and local subdivision streets, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all Improvement Area G1B Assessed Property. The roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

Water Improvements: The water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include raw water transmission lines, water lines, mains, valves, fire hydrants, as well as related testing, trench safety and erosion protection, necessary to serve the Improvement Area G1B Assessed Property. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

Sanitary Sewer: The sanitary sewer improvements consist of force mains and gravity collection system improvements including construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area G1B Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

Storm Drainage: The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve the Improvement Area G1B Assessed Property. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

Soft and Miscellaneous Costs: The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Improvement Area G1B Local Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency, costs associated with financing the Improvement Area G1B Local Improvements.

*District Formation Costs:* The costs associated with forming and operating the District and allocable to Improvement Area G1B at this time, including attorney fees and any other cost or expense incurred by the County or the Master Developer or the Owner(s) directly associated with the establishment of the District.

### **Zone K Improvements**

*Road Improvements:* The roadway improvements consist of right of way dedication and construction of collector roads, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all of Zone K. The roadway improvements will be designed and constructed in accordance with the County and City of Celina City standards and specifications and will be owned and operated by SRWCID No. 2.

*Water Improvements:* The water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include raw water transmission lines, water lines, mains, valves, fire hydrants, as well as related testing, trench safety and erosion protection, necessary to serve Zone K. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

*Storm Drainage:* The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve Zone K. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

*Soft and Miscellaneous Costs:* The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Zone K Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency.

### **Improvement Area K1 Local Improvements**

*Road Improvements:* The roadway improvements consist of right of way dedication and construction of collector roads and local subdivision streets, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all Improvement Area K1 Assessed Property. The roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

*Water Improvements:* The water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include raw water transmission lines, water lines, mains, valves, fire hydrants, as well as related testing, trench safety and erosion protection, necessary to serve the Improvement Area K1 Assessed Property. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

*Sanitary Sewer:* The sanitary sewer improvements consist of force mains and gravity collection system improvements including construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area K1 Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

*Storm Drainage:* The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve the Improvement Area K1 Assessed Property. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

*Soft and Miscellaneous Costs:* The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Improvement Area K1 Local Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and

boundary surveys, construction staking, construction management, and contingency, costs associated with financing the Improvement Area K1 Local Improvements.

*District Formation Costs:* The costs associated with forming and operating the District and allocable to Improvement Area K1 at this time, including attorney fees and any other cost or expense incurred by the County or the Master Developer or the Owner(s) directly associated with the establishment of the District.

### **Zone P Improvements**

*Road Improvements:* The roadway improvements consist of right of way dedication and construction of collector roads, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all of Zone P. The roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

*Storm Drainage:* The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve Zone P. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

*Soft and Miscellaneous Costs:* The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Zone P Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency.

### **Improvement Area P1 Local Improvements**

*Road Improvements:* The roadway improvements consist of right of way dedication and construction of collector roads and local subdivision streets, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all Improvement Area P1 Assessed Property. The roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

*Water Improvements:* The water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include raw water transmission lines, water lines, mains, valves, fire hydrants, as well as related testing, trench safety and erosion protection, necessary to serve the Improvement Area P1 Assessed Property. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

*Sanitary Sewer:* The sanitary sewer improvements consist of force mains and gravity collection system improvements including construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area P1 Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

*Storm Drainage:* The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve the Improvement Area P1 Assessed Property. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by SRWCID No. 2.

*Soft and Miscellaneous Costs:* The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Improvement Area P1 Local Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency, costs associated with financing the Improvement Area P1 Local Improvements.

***District Formation Costs:*** The costs associated with forming and operating the District and allocable to Improvement Area P1 at this time, including attorney fees and any other cost or expense incurred by the County or the Master Developer or the Owner(s) directly associated with the establishment of the District.

The cost of the Improvement Area #1 Authorized Improvements (which includes the Improvement Area #1 Projects, along with the (i) Bond Issuance Costs relating to the Bonds, (ii) the pro rata portion of the District Formation Costs attributable to Improvement Area #1, and (iii) First Year Annual Collection Costs attributable to Improvement Area #1) is expected to be approximately \$64,142,000\*. The costs of the Improvement Area #1 Authorized Improvements are expected to be funded with proceeds of the Bonds. See “SOURCES AND USES OF FUNDS.” To the extent the proceeds of the Bonds are insufficient to fund the Improvement Area #1 Authorized Improvements, the balance of the costs of the Improvement Area #1 Authorized Improvements will be paid by the applicable Builder Pod Developer without repayment from the County.

The following tables reflect the total expected costs of the Improvement Area #1 Authorized Improvements, set forth with respect to each Improvement Area, which costs are preliminary and subject to change and the allocation of such costs between the respective Improvement Area and Zone.

**Zone G Improvements, Improvement Area G1A Local Improvements, and Improvement Area G1B Local Improvements**

Item	Authorized Improvements <sup>1</sup>	Improvement Area G1A		Improvement Area G1B		Future Zone G Improvement Area	
		% Applicable	Amount	% Applicable	Amount	% Applicable	Amount
<b>Zone G Improvements <sup>2</sup></b>							
Roadway Improvements	\$2,432,681	25.03%	\$608,900	20.82%	\$506,484	54.15%	\$1,317,297
Water Improvements	\$184,238	25.03%	\$46,115	20.82%	\$38,358	54.15%	\$99,765
Storm Drainage	\$380,949	25.03%	\$95,351	20.82%	\$79,313	54.15%	\$206,284
Soft and Misc. Costs	\$1,921,365	25.03%	\$480,918	20.82%	\$400,028	54.15%	\$1,040,419
	\$4,919,233		\$1,231,284		\$1,024,184		\$2,663,764
<b>Improvement Area G1A/G1B Local Improvements</b>							
Roadway Improvements <sup>3</sup>	\$8,613,554		\$6,001,668		\$2,611,886		NA
Water Improvements	1,873,906		699,952		1,173,954		NA
Sanitary Sewer	3,239,677		1,443,227		1,796,449		NA
Storm Drainage	3,555,495		1,207,044		2,348,451		NA
Soft and Misc. Costs	5,427,038		3,068,967		2,358,071		0
District Formation <sup>4</sup>	1,525,000		835,000		690,000		0
	\$24,234,670		\$13,255,858		\$10,978,811		\$0
<b>Improvement Area G1A/G1B Local Projects</b>			<b>\$14,487,142</b>		<b>\$12,002,996</b>		
<b>Bond Issuance Costs <sup>5</sup></b>							
Debt Service Reserve Fund	\$2,725,223		\$1,490,720		\$1,234,503		
Capitalized Interest	3,542,429		1,936,400		1,606,029		
Underwriter's Discount	1,085,340		593,280		492,060		
Other Bond Issuance Costs	2,170,800		1,186,620		984,180		
	\$9,523,792		\$5,207,020		\$4,316,772		
<b>Other Costs</b>							
First Year Annual Collection Costs	\$82,500		\$82,500		\$82,500		
<b>Total</b>	<b>\$38,760,194</b>		<b>\$19,776,662</b>		<b>\$16,402,268</b>		<b>\$2,663,764</b>

<sup>1</sup> As provided in the Engineer's Report attached hereto as Appendix A. Costs are estimates that will be updated with each Annual Service Plan Update.

<sup>2</sup> Zone G Improvements allocated to Improvement Area G1A, Improvement Area G1B and Future Zone G Improvement Area based on Estimated Buildout Value.

<sup>3</sup> Roadway Improvement costs include ROW Acquisition.

<sup>4</sup> Future Zone G Improvement Areas will be responsible for additional District Formation Costs as assessments for future improvement areas are levied against such phases.

<sup>5</sup> Bond Issuance Costs are preliminary estimates and are subject to change upon pricing.

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\* Preliminary; subject to change.

**Zone K Improvements and Improvement Area K1 Local Improvements**

Item	Authorized Improvements <sup>1</sup>	Future Zone K Improvement Area			
		Improvement Area K1		Area	
		% Applicable	Amount	% Applicable	Amount
<b>Zone K Improvements <sup>2</sup></b>					
Road Improvements	\$2,151,739	42.01%	\$903,946	57.99%	\$1,247,793
Water Improvements	\$258,560	42.01%	\$108,621	57.99%	\$149,939
Storm Drainage	\$312,111	42.01%	\$131,118	57.99%	\$180,993
Soft and Misc. Costs	<u>\$419,920</u>	42.01%	<u>\$176,408</u>	57.99%	<u>\$243,512</u>
	\$3,142,330		\$1,320,093		\$1,822,237
<b>Improvement Area K1 Local Improvements</b>					
Road Improvements	\$1,779,672		\$1,779,672		NA
Water Improvements	617,481		617,481		NA
Sanitary Sewer	623,935		623,935		NA
Storm Drainage	792,765		792,765		NA
Soft and Misc. Costs	1,068,517		1,068,517		NA
District Formation <sup>3</sup>	<u>403,000</u>		<u>403,000</u>		<u>0</u>
	\$7,107,607		\$5,285,370		\$1,822,237
<b>Improvement Area K1 Local Projects</b>			<b>\$6,605,463</b>		
<b>Bond Issuance Costs <sup>4</sup></b>					
Debt Service Reserve Fund	\$675,483		\$675,483		
Capitalized Interest	887,810		887,810		
Underwriter's Discount	272,010		272,010		
Other Bond Issuance Costs	<u>544,080</u>		<u>544,080</u>		
	\$2,379,383		\$2,379,383		
<b>Other Costs</b>					
First Year Annual Collection Costs	\$82,500		\$82,500		
<b>Total</b>	<b>\$12,711,821</b>		<b>\$9,067,346</b>		<b>\$3,644,474</b>

<sup>1</sup> As provided in the Engineer's Report attached hereto as Appendix A. Costs are estimates that will be updated with each Annual Service Plan Update.

<sup>2</sup> Zone K Improvements allocated to Improvement Area K1 and Future Zone K Improvement Area based on Estimated Buildout Value.

<sup>3</sup> Future Zone K Improvement Areas will be responsible for additional District Formation Costs as assessments for future improvement areas are levied against such phases.

<sup>4</sup> Bond Issuance Costs are preliminary estimates and are subject to change upon pricing.

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**Zone P Improvements and Improvement Area P1 Local Improvements**

Item	Authorized Improvements <sup>1</sup>	Future Zone P Improvement Areas			
		Improvement Area P1		Future Zone P Improvement Areas	
		% Applicable	Amount	% Applicable	Amount
<b>Zone P Improvements <sup>2</sup></b>					
Road Improvements	\$815,411	43.29%	\$352,991	56.71%	\$462,420
Storm Drainage	\$171,172	43.29%	\$74,100	56.71%	\$97,072
Soft and Misc. Costs	<u>\$385,512</u>	43.29%	<u>\$166,888</u>	56.71%	<u>\$218,624</u>
	\$1,372,095		\$593,980		\$778,115
<b>Improvement Area P1 Local Improvements</b>					
Road Improvements	\$5,235,411		\$5,235,411		NA
Water Improvements	1,585,650		1,585,650		NA
Sanitary Sewer	1,609,292		1,609,292		NA
Storm Drainage	1,582,958		1,582,958		NA
Soft and Misc. Costs	2,422,907		2,422,907		NA
District Formation <sup>3</sup>	<u>810,000</u>		<u>810,000</u>		<u>0</u>
	\$13,246,218		\$13,246,218		\$0
<b>Improvement Area P1 Local Projects</b>			<b>\$13,840,198</b>		
<b>Bond Issuance Costs <sup>4</sup></b>					
Debt Service Reserve Fund	\$1,424,019		\$1,424,019		
Capitalized Interest	1,850,331		1,850,331		
Underwriter's Discount	566,910		566,910		
Other Bond Issuance Costs	<u>1,133,880</u>		<u>1,133,880</u>		
	\$4,975,140		\$4,975,140		
<b>Other Costs</b>					
First Year Annual Collection Costs	\$82,500		\$82,500		
<b>Total</b>	<b>\$19,675,953</b>		<b>\$18,897,838</b>		<b>\$778,115</b>

<sup>1</sup> As provided in the Engineer's Report attached hereto as Appendix A. Costs are estimates that will be updated with each Annual Service Plan Update.

<sup>2</sup> Zone P Improvements allocated to Improvement Area P1 and Future Zone P Improvement Areas based on estimated buildout value.

<sup>3</sup> Future Zone P Improvement Areas will be responsible for additional District Formation Costs as assessments for future improvement areas are levied against such phases.

<sup>4</sup> Bond Issuance Costs are preliminary estimates and are subject to change upon pricing.

The following table collectively sets forth the costs of the Improvement Area #1 Authorized Improvements to be funded with the Bonds.

Sources of Funds	IA G1A Assessment	IA G1B Assessment	IA K1 Assessment	IA P1 Assessment	Total
IA #1 Bonds Par Amount	\$19,776,000	\$16,402,000	\$9,067,000	\$18,897,000	\$64,142,000
<b>Total Sources</b>	<b>\$19,776,000</b>	<b>\$16,402,000</b>	<b>\$9,067,000</b>	<b>\$18,897,000</b>	<b>\$64,142,000</b>

Uses of Funds	Total				
<b>Local Improvements</b>	\$13,255,196	\$10,978,544	\$5,285,024	\$13,245,380	\$42,764,143
<b>Zone Improvements <sup>1</sup></b>	1,231,284	1,024,184	1,320,093	593,980	4,169,541
<b>Subtotal</b>	<b>\$14,486,480</b>	<b>\$12,002,728</b>	<b>\$6,605,117</b>	<b>\$13,839,360</b>	<b>\$46,933,684</b>
<b>Bond Issuance Costs</b>					
Reserve Fund	\$1,490,720	\$1,234,503	\$675,483	\$1,424,019	\$4,824,725
Capitalized Interest	1,936,400	1,606,029	887,810	1,850,331	6,280,571
Underwriters Discount	593,280	492,060	272,010	566,910	1,924,260
Other Bond Issuance Costs	1,186,620	984,180	544,080	1,133,880	3,848,760
First Year Annual Collection Costs	82,500	82,500	82,500	82,500	330,000
<b>Subtotal</b>	<b>\$5,289,520</b>	<b>\$4,399,272</b>	<b>\$2,461,883</b>	<b>\$5,057,640</b>	<b>\$17,208,316</b>
<b>Total Uses</b>	<b>\$19,776,000</b>	<b>\$16,402,000</b>	<b>\$9,067,000</b>	<b>\$18,897,000</b>	<b>\$64,142,000</b>

Note: The Developer will be responsible for paying any portion of the costs of the Improvement Area #1 Authorized Improvements, as reflected in Exhibits B-2, B-3 and B-4, as applicable, not paid from the proceeds of the Improvement Area #1 Bonds without reimbursement from the County.

<sup>1</sup> Reflects Zone G Improvements for IAs G1A and G1B, Zone K Improvements for IA K1, and Zone P Improvements for IA P1.



**Ownership and Maintenance of Improvements**

The Improvement Area #1 Projects will be dedicated to and accepted by Mustang SUD or SRWCID No. 2, as applicable. The Improvement Area #1 Projects will constitute a portion of the Mustang SUD’s and SRWCID No. 2’s infrastructure improvements, as applicable. Mustang SUD and SRWCID No. 2 will provide for the ongoing operation, maintenance and repair of their respective portions of the Improvement Area #1 Projects as outlined in the Service and Assessment Plan.

The County and SRWCID No. 2 expect to enter into an Interlocal Agreement setting forth the responsibilities of each with respect to the construction, ownership and maintenance of the Improvement Area #1 Projects to be owned by SRWCID No. 2. The County and Mustang SUD expect to enter into an Interlocal Agreement setting forth the responsibilities of each with respect to the construction, ownership and maintenance of the Improvement Area #1 Projects to be owned by Mustang SUD.

**THE DEVELOPMENT**

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

**Overview**

The land within the District and the Development will be developed as a portion of a larger mixed-use master planned development, which is known as “Green Meadows” (such portion, the “Development”). The land in the Development and the District is part of the Green Meadows Development. The Green Meadows Development is located within the extraterritorial jurisdiction of the City, approximately 2 miles west of the intersection of Punk Carter Parkway and Dallas Parkway, near the intersection of Legacy Drive and Punk Carter Parkway.

The City, located in the north-central region of the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (the “DFW MSA”), is experiencing significant growth as the overall DFW MSA continues its growth trajectory. In 2023 the U.S. Census Bureau ranked Celina as the fastest growing City above 20,000, with a population growth rate of 26.6% in 2023. The City’s 2020 census population was 16,739. The City’s most current population estimate was 43,039.

The Development is expected to include approximately 2,574 single family residential homes. The developable land within the District is expected to be owned and developed as discrete pods or “Zones” by regional and national homebuilders including Grand Homes, Perry Homes, K. Hovnanian, and TriPointe (or their respective land banking entities) to the extent not sold to future homebuilders for development. See “THE DEVELOPMENT — Development Plan” and “THE DEVELOPMENT — Expected Build-Out and Home Prices in the Development” below.

Ownership of the land within the District as of February 1, 2025, is set forth in the chart below. See “THE MASTER DEVELOPER, THE OPP LANDOWNERS AND THE BUILDER POD DEVELOPERS.”

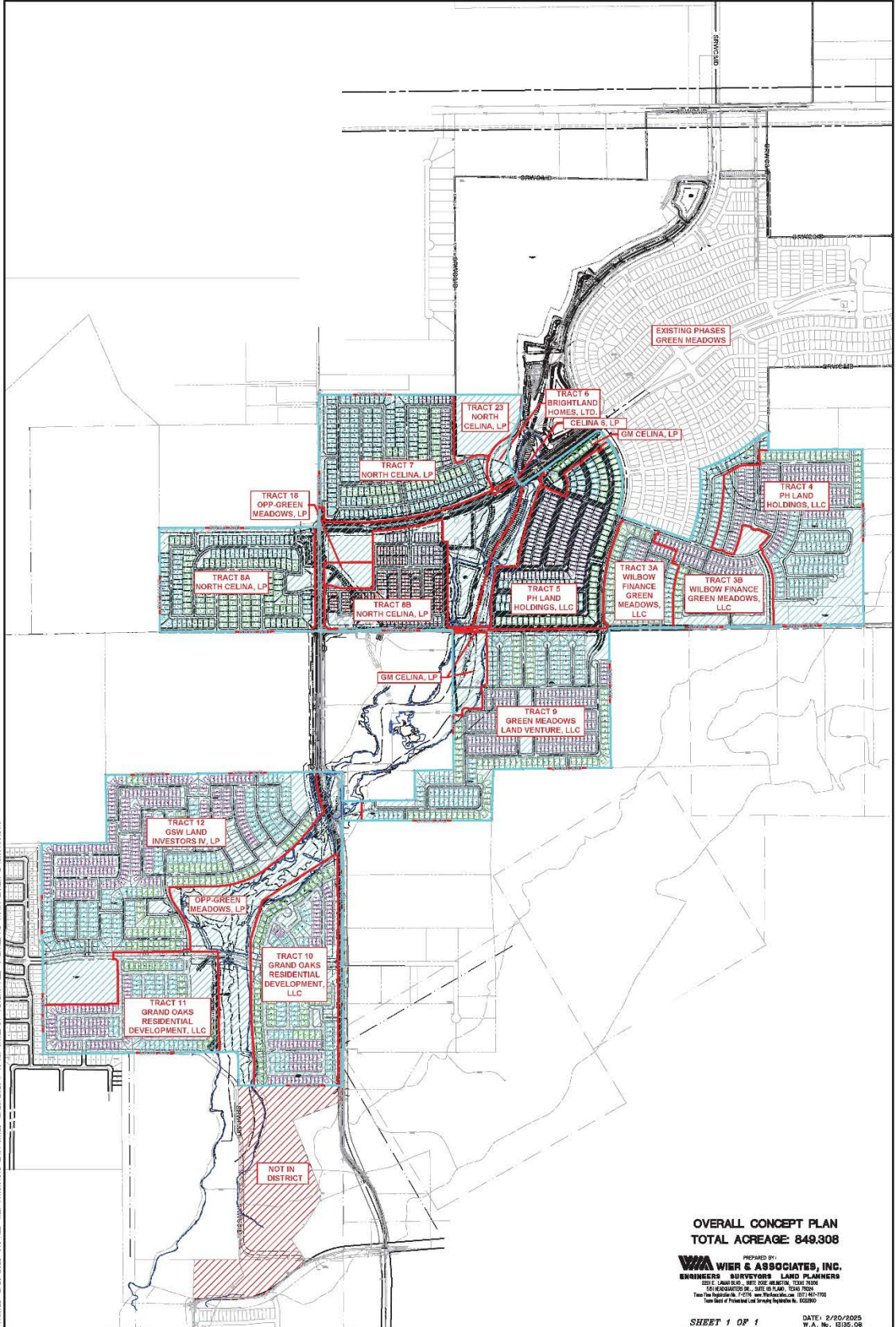
<u>Acres</u>	<u>Owner</u>
208.56	North Celina, LP
128.48	PHLH
91.12	Green Meadows Land Venture, LLC
25.70	GM-Celina, LP
139.44	GSW Land Investors IV, LP
118.26	Grand Oaks Residential Development, LLC
66.49	WFGM
62.30	OPP-Green Meadows, LP
3.47	Brightland
0.48	Celina 6, LP (the Master Developer)
5.00	SRWCID No. 2 Board of Directors

The land owned by North Celina, LP is under contract pursuant to the TriPointe PSA and the Model Home Lots (which constitute a portion of the land owned by GM-Celina, LP) are under contract to PHLH. The Master Developer’s land in the

Development and any land owned by the other OPP Landowners that has not been or will not be sold to the Builder Pod Developers or their land banking entities is expected to be deeded to SRWCID No. 2 as right of way, drainage and open space land. The directors of SRWCID No. 2 are expected to continue to jointly own the 5 acres director lot. The land owned by Brightland in the District is open space land for an adjacent tract owned by Brightland that is part of the Green Meadows Development but is not located in the District. Land owned by the OPP Landowners after closing of the sale to TriPointe, the directors of SRWCID No. 2, SRWCID No. 2 and Brightland is not expected to be developed or subject to assessments. A map showing the ownership of property in the District as of February 1, 2025, is below:

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**OVERALL CONCEPT PLAN**  
**TOTAL ACREAGE: 849.308**

PREPARED BY:  
**WIER & ASSOCIATES, INC.**  
 ENGINEERS SURVEYORS LAND PLANNERS  
 2037 E. LAMAR BLVD., SUITE 200, AMARILLO, TEXAS 79130  
 806-326-9111 FAX: 806-326-9112  
 Texas Notary Public: 1-2176 www.WierAssociates.com 1872-140-1700  
 Equal Opportunity and Affirmative Action Employer

DATE: 2/20/2005  
 W.A. No. 0235.08  
**SHEET 1 OF 1**

## **Development Plan**

The Development is expected to be owned and developed as discrete “pods” or “Zones” by the Builder Pod Developers, which are regional and national homebuilders including Grand Homes, Perry Homes, K. Hovnanian and TriPointe, or land banking entities associated with or contracted with the Builder Pod Developers. The Builder Pod Developers are expected to complete lots and the Homebuilders are expected to construct homes on their respective land within the District. See “THE DEVELOPMENT — Expected Build-Out and Home Prices in the Development” below and “THE MASTER DEVELOPER, THE OPP LANDOWNERS AND THE BUILDER POD DEVELOPERS.”

The Master Developer will develop the Major Improvements to serve the District. The Master Developer began construction of the Major Improvements in September 2024 and expects to complete the Major Improvements in February 2026. As of February 20, 2025, the Master Developer spent approximately \$5.5 million on the Major Improvements, which was funded with cash from the various property sales by the Master Developer and its affiliates in the District as described under “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN — The Master Developer and OPP Landowners – Property Acquisition, Subsequent Sales and Financing of Major Improvements” and equity available to the Master Developer. Proceeds of the Major Improvement Area Bonds are expected to fund the costs of the Major Improvements.

Local Improvements benefitting the discrete portions of the District are expected to be constructed in phases by the Builder Pod Developers or on behalf of the Builder Pod Developers by their respective special purpose development entities, as applicable, and future landowners within the District if such land is sold as further described under “— Builder Pod Developer Purchase and Sale Agreements” and “— Expected Build-Out and Home Prices in the Development.” The Improvement Area G1A Local Projects, Improvement Area G1B Local Projects, Improvement Area K1 Local Projects and Improvement Area P1 Local Projects are expected to be funded by the respective Builder Pod Developers or their applicable special purpose development entities, as applicable, and paid in part from the proceeds of the Bonds each as further described under “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN.” See also “SOURCES AND USES OF FUNDS.”

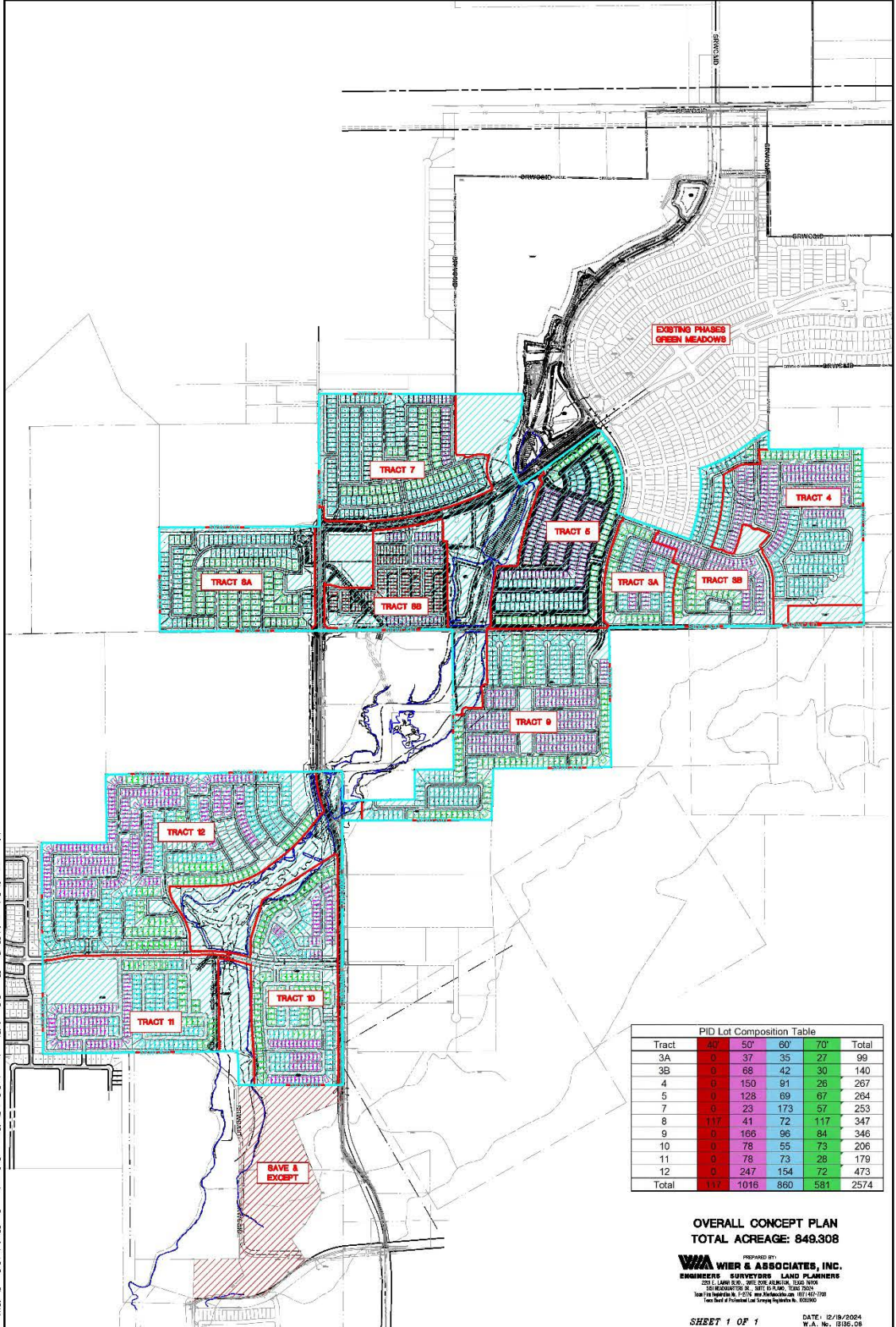
## **Concept Plan**

Below is the current concept plan of the Development as approved by the City. The concept plan is conceptual and subject to change consistent with City regulations as applied pursuant to the Development Agreement.

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PID Lot Composition Table

Tract	40'	50'	60'	70'	Total
3A	0	37	35	27	99
3B	0	68	42	30	140
4	0	150	91	26	267
5	0	128	69	67	264
7	0	23	173	57	253
8	117	41	72	117	347
9	0	166	96	84	346
10	0	78	55	73	206
11	0	78	73	28	179
12	0	247	154	72	473
Total	117	1016	860	581	2574

**OVERALL CONCEPT PLAN**  
**TOTAL ACREAGE: 849.308**

PREPARED BY:  
**WIER & ASSOCIATES, INC.**  
 ENGINEERS SURVEYORS LAND PLANNERS  
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 Equal Opportunity Employer M/F/V

DATE: 12/19/2024  
 SHEET 1 OF 1  
 W.A. No. 1336.08

## **Builder Pod Developer Purchase and Sale Agreements in the District**

North Celina, LP, GM-Celina, LP, and South GM, LP each entered into purchase and sale agreements as described below and have sold certain of such land in the District to the Builder Pod Developers as described below. Each of the purchase and sale agreements contains provisions that limit the tax equivalent rate of the Major Improvement Area Assessments to \$0.40 based on the average home value for each lot type in the District. The Major Improvement Area Assessments are expected to meet such limitations. See “ASSESSMENT PROCEDURES – Prepayment of Assessments – True-Up of Assessments if Maximum Assessment Exceeded at Plat.”

Grand Homes. South GM, LP entered into a Purchase and Sale Agreement (the “Grand PSA”) with Grand Acquisitions, Inc., an acquisition entity affiliated with Grand Homes, for approximately 257.697 acres of land constituting Tracts 10, 11 and 12 in the District, portions of which were subsequently assigned to GORD (a special purpose development entity affiliated with Grand Homes) and GSW (an investment entity affiliated with Grand Homes). On January 24, 2025, GSW acquired approximately 139.440 acres of such land at a purchase price of \$60,549,780 and GORD acquired approximately 118.257 acres of such land at a purchase price of \$50,450,219.

GORD is beginning development of its land in the District with Improvement Area G1A and Improvement Area G1B. Improvement Area G1A is expected to contain 206 lots in a mixture of 78 fifty-foot lots, 55 sixty-foot lots and 73 seventy-foot lots. GORD is expected to begin construction of the Improvement Area G1A Local Projects in Q1 2025 and complete construction of the Improvement Area G1A Local Projects in Q1 2026. Improvement Area G1B is expected to contain 179 lots in a mixture of 78 fifty-foot lots, 73 sixty-foot lots and 28 seventy-foot lots. GORD is expected to begin construction of the Improvement Area G1B Local Projects in Q3 2025 and complete construction of the Improvement Area G1B Local Projects in Q3 2026. Such improvements are expected to be funded with the Bonds and cash as described under “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN — Builder Pod Developers – Financing of Improvement Area #1 Projects.” See also “SOURCES AND USES OF FUNDS.”

It is expected that GSW will sell or transfer its land in Zone G to GORD when development begins, and GORD will develop the land into finished lots after such transfer. It is expected that GORD will sell or transfer any finished lots to a separate Grand Homes affiliated entity pursuant to a takedown contract after such lots are completed. GORD may also, in the future, enter into lot purchase and sale agreements with other unaffiliated builders for finished lots in Zone G.

Perry Homes. GM-Celina, LP entered into a Purchase and Sale Agreement (the “Perry PSA”) with PHLH for two parcels of land in the District, one containing approximately 194.975 acres (“Perry Parcel 1”) and one containing approximately 90.672 acres (“Perry Parcel 2”) as well as 11 finished model home lots in the Development (the “Model Home Lots”). PHLH is a special purpose development entity under common control with Perry Homes, LLC (“Perry Homes”). PHLH acquired Perry Parcel 1, which included the land in Tracts 3, 4 and 5 as shown on the Concept Plan, on August 29, 2024, at a purchase price of \$75,000,000, which was paid in cash. A portion of such land was sold as described under “—K. Hovnanian” below. The remaining portion of Perry Parcel 1 constitutes Improvement Area P1 (which is located on Tract 5) and the Future Improvement Area located on Tract 4. GMLV, as assignee of PHLH, closed on Perry Parcel 2, which is located on Tract 9 as shown on the Concept Plan, at a purchase price of \$39,880,000 on January 31, 2025. PHLH will deed all finished lots it constructs to Perry Homes, which will serve as the builder of homes on such lots.

PHLH will also purchase the Model Home Lots as finished lots from the Master Developer at a price of \$165,000 per lot within thirty days after it receives notice of substantial completion of the Model Home Lots from the Master Developer. PHLH expects to sell a portion of the Model Home Lots to each of the Builder Pod Developers or future pod developers or builders in the District. Under the Perry PSA, the Master Developer shall cause the completion of the Model Home Lots with 24 months of the closing of Perry Parcel 1. PHLH intends to sell the Model Home Lots to other builders in the District.

The land owned currently owned by PHLH is partially within Zone P and a Future Zone. The land owned by GMLV is partially within Zone P and within a Future Improvement Area. PHLH is beginning development of its land in the District with Improvement Area P1. Improvement Area P1 is expected to contain 264 lots in a mixture of 128 fifty-foot lots, 69 sixty-foot lots and 67 seventy-foot lots. PHLH is expected to begin construction of the

Improvement Area P1 Local Projects in Q1 2025 and complete construction of the Improvement Area P1 Local Projects in Q3 2026. Such improvements are expected to be funded with the Bonds and cash provided through a corporate facility as described under “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN — Builder Pod Developers – Financing of Improvement Area #1 Projects.” See also “SOURCES AND USES OF FUNDS.”

GMLV and PHLH have entered into a Development Agreement (the “GMLV Development Agreement”) pursuant to which PHLH has agreed to serve as development manager and develop the lots on land owned by GMLV. GMLV will provide funds up to \$27,032,000 to fund development of the GMLV land and PHLH shall provide funds to cover all remaining costs. GMLV will provide such funds on a monthly basis beginning January 31, 2025.

PHLH is actively in negotiations to sell paper lots on the land located on Tract 4, which is not located within Improvement Area P1 or Zone P. PHLH has entered into a purchase and sale agreement (the “Columnar PSA”) for approximately 30.63 acres expected to constitute approximately 85 paper lots and two of the Model Home Lots with Columnar Holdings II, LLC (“Columnar”), an entity affiliated with Rockwell Homes. The sale price under the Columnar PSA is \$12,200,000, along with an amenity fee of \$255,000. The Columnar PSA is currently in a due diligence period that ends on April 7, 2025. However, if Columnar closes on such contract, Columnar is expected to develop the finished lots in the purchased property. To the extent that PHLH sells additional acres or finished lots to other homebuilder entities, such entities would be expected to engage in lot development activities and fund and construct Local Improvements on such land.

K. Hovnanian. K. Hovnanian Homes – DFW, L.L.C. (“K. Hovnanian”) acquired 66.49 acres land located in Tract 3 in the District, from PHLH concurrent with PHLH’s acquisition of Perry Parcel 1. K. Hovnanian concurrently sold such land to WFGM, which is serving as a development land bank for K. Hovnanian.

K. Hovnanian and WFGM have entered into an Option and Development Agreement (the “K. Hovnanian Option Agreement”) pursuant to which WFGM will hold the property as a land banking entity. K. Hovnanian has deposited \$6,026,497 as an option payment (the “K. Hovnanian Deposit”) under the K. Hovnanian Option Agreement which will be applied to the purchase price of the closing of the lots.

K. Hovnanian will direct the development of the land and has the option to purchase finished lots from WFGM at a price of \$169,522 per lot (the “Purchase Price”). In addition to the Purchase Price, K. Hovnanian is required to pay monthly “Option Payment” which is calculated based on a percentage of WFGM’s investment costs (including the costs to acquire the property, taxes, fees, and other costs) less the K. Hovnanian Deposit.

K. Hovnanian is to take down lots under the K. Hovnanian Option Agreement in accordance with the following takedown schedule:

<b>Takedown Period</b>	<b>Time Period</b>	<b>Minimum # of Lots Required to be Purchased</b>
1	On or prior to the last day of the calendar month (each a “Takedown Date”) of the 27 <sup>th</sup> full calendar month following August 30, 2024	21 Lots
2	On or prior to the Takedown Date of the first calendar quarter following the end of Takedown Period #1	19 Lots
3	On or prior to the Takedown Date of the first calendar quarter following the end of Takedown Period #2	19 Lots
4	On or prior to the Takedown Date of the first calendar quarter following the end of Takedown Period #3	19 Lots
5	On or prior to the Takedown Date of the first calendar quarter following the end of Takedown Period #4	19 Lots
6	On or prior to the Takedown Date of the first calendar quarter following the end of Takedown Period #5	19 Lots
7	On or prior to the Takedown Date of the first calendar quarter following the end of Takedown Period #6	19 Lots

8	On or prior to the Takedown Date of the first calendar quarter following the end of Takedown Period #7	19 Lots
9	On or prior to the Takedown Date of the first calendar quarter following the end of Takedown Period #8	19 Lots
10	On or prior to the Takedown Date of the first calendar quarter following the end of Takedown Period #9	19 Lots
11	On or prior to the Takedown Date of the first calendar quarter following the end of Takedown Period #10	19 Lots
12	On or prior to the Takedown Date of the first calendar quarter following the end of Takedown Period #11	All remaining Lots

K. Hovnanian shall have the right to extend the deadline dates set forth above (the “Takedown Schedule”) for the acquisition of any lots for up to three thirty day periods beyond the dates otherwise set forth above (each the “Extension Option” and collectively, the “Extension Options”), provided that no more than two extensions shall be sequential, which exercise of an Extension Option shall also act to extend the deadline date for the acquisition of all subsequent Phases, subject to the following conditions:

- (1) K. Hovnanian shall not be in Default of its obligations under the K. Hovnanian Option Agreement (other than the failure to acquire a phase for which the Extension Option is being requested);
- (2) K. Hovnanian shall have given WFGM not more than thirty (30) days nor less than five (5) business days written notice of K. Hovnanian's intention to exercise any such Extension Option. K. Hovnanian shall be under no obligation to provide a reason for requesting an Extension Option; and
- (3) During any 30-day extension period, K. Hovnanian shall continue paying Option Payments to WFGM.

K. Hovnanian may also accelerate its purchase of the lots under the K. Hovnanian Option Agreement by paying the Purchase Price for the remaining lots and an accelerated option fee. In addition, K. Hovnanian also has the right to acquire any remaining property that hasn’t been taken down pursuant to the K. Hovnanian Option Agreement if an event of default or a default by K. Hovnanian occurs under the K. Hovnanian Option Agreement.

The term of the K. Hovnanian Option Agreement ends on August 31, 2029, subject to certain extensions and a 20-day cure period for any failure to exercise an option purchase.

K. Hovnanian has retained the right to receive all reimbursements of the costs of any local improvements installed on the land owned by WFGM from the District, SRWCID No. 2, or any other similar district.

A portion of such land is expected to be developed into approximately 99 lots (in a mixture of 37 fifty-foot lots, 35 sixty-foot lots and 27 seventy-foot lots) and constitute Improvement Area K1. Lot development in Improvement Area K1 is expected to begin in Q1 2025 and be completed in Q3 2026. Such lot development is expected to be completed by K. Hovnanian and funded with the Bonds and available cash as described under “ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN — Builder Pod Developers – Financing of Improvement Area #1.” See also “SOURCES AND USES OF FUNDS.”

*TriPointe*. North Celina, LP has entered into a Purchase and Sale Agreement (the “TriPointe PSA”) with TriPointe Homes DFW, LLC (“TriPointe”) for approximately 208 acres of land in the District, which constitutes Tracts 7 and 8, for a purchase price of \$62,100,000. TriPointe expects to assign its rights under the TriPointe PSA to an unaffiliated land banking entity pursuant to an as yet to be negotiated option and development agreement. TriPointe has deposited \$1,600,000 in earnest money under the TriPointe PSA, all of which is hard and non-refundable and will be credited to the expected option deposit at closing of the 208 acres to the land banking entity.

As conditions to closing, the TriPointe PSA requires that there be no default under the TriPointe PSA, that a title company deliver a title insurance policy on the land to be sold, and that the Bonds be issued. As of the date hereof, TriPointe expects the closing on all land under the TriPointe PSA to occur on or about April 30, 2025.



However, no assurance can be given that TriPointe or the to be determined land banking entity will proceed to closing. The land in the District to be sold pursuant to the TriPointe PSA constitutes a Future Zone.

It is expected that TriPointe will enter into an option contract with the land banking entity to purchase finished lots from the land banking entity. It is further expected that TriPointe will enter into a construction and development agreement with the future landbank entity to develop the land under contract pursuant to the TriPointe PSA, which development is expected to be financed by the land banking entity with funds provided by TriPointe from its option deposit and funds on hand with the land banking entity. TriPointe expects to begin construction of the local improvements benefitting TriPointe’s first phase of development in May 2025 and complete construction of such improvements in Q4 2026. Such development is not funded with the Bonds and is expected to be funded with Future Improvement Area Bonds.

**Expected Build-Out and Home Prices in the Development**

The Builder Pod Developers expect to develop their respective land in the Development in phases, with the Local Improvements benefitting each phase to be completed as projected below. The following table summarizes the Builder Pod Developers expectations regarding the completion of each phase of development on their respective land as well as the projected final sale date for homes in each phase. Builder Subphases shown in blue rows are located in Improvement Area #1.

<u>Builder</u>	<u>Builder Subphase</u>	<u>Single-Family Lots</u>	<u>Expected Start of Internal Infrastructure</u>	<u>Expected Internal Infrastructure Completion Date</u>	<u>Expected Final Home Sale Date</u>
Grand Homes	1A (GORD)	50' x 78 60' x 55 70' x 73	Q1 2025	Q1 2026	Q3 2029
	1B (GORD)	50' x 78 60' x 73 70' x 28	Q3 2025	Q3 2026	Q3 2029
	2 (GSW)	50' x 90 60' x 73 70' x 33	Q2 2027	Q2 2028	Q4 2030
	3 (GSW)	50' x 102 60' x 37 70' x 6	Q2 2028	Q2 2029	Q1 2032
	4 (GSW)	50' x 55 60' x 44 70' x 33	Q2 2029	Q2 2030	Q3 2032
Builder Subtotal: 858					
Perry Homes	1 (PHLH and GMLV)	50' x 128 60' x 69 70' x 67	Q1 2025	Q3 2026	Q3 2030
	2 (GMLV)	50' x 166 60' x 96 70' x 84	Q3 2025	Q4 2026	Q4 2031
	3 <sup>(1)</sup>	50' x 150 60' x 91 70' x 26	Q4 2026	Q2 2028	Q2 2032
Builder Subtotal: 877					

K. Hovnanian	3A (IA K1)	50' x 37 60' x 35 70' x 27	Q1 2025	Q3 2026	Q4 2028
	3B	50' x 68 60' x 42 70' x 30	Q1 2026	Q3 2027	Q4 2030
Builder Subtotal: 239					
TriPointe	1	40' x 34 50' x 26 60' x 62 70' x 79	Q2 2025	Q4 2026	Q2 2029
	2	40' x 83 50' x 38 60' x 62 70' x 39	Q1 2027	Q2 2028	Q1 2030
	3	40' x 0 50' x 0 60' x 121 70' x 56	Q3 2028	Q4 2029	Q2 2031
Builder Subtotal: 600					

<sup>(1)</sup> PHLH has entered into and expects to enter into future sales contracts for the land in Perry Homes subphase 3 and sell such land to other homebuilders for lot development (including to Columar under the Columar PSA as described above).

The Builder Pod Developers' current expectations regarding estimated home prices in the Builder Pod Developers' respective sections of the Development shown in the table below. Builder Subphases shown in blue rows are located in Improvement Area #1.

<u>Builder</u>	<u>Builder Subphase</u>	<u>Single-Family Lots</u>	<u>Estimated Average Base Lot Price</u>	<u>Estimated Average Base Home Price</u>
Grand Homes	1A (GORD)	50' x 78 60' x 55 70' x 73	50': \$162,500 60': \$195,000 70': \$227,500	50': \$650,000 60': \$780,000 70': \$910,000
	1B (GORD)	50' x 78 60' x 73 70' x 28	50': \$162,500 60': \$195,000 70': \$227,500	50': \$650,000 60': \$780,000 70': \$910,000
	2 (GSW)	50' x 90 60' x 73 70' x 33	50': \$162,500 60': \$195,000 70': \$227,500	50': \$650,000 60': \$780,000 70': \$910,000
	3 (GSW)	50' x 102 60' x 37 70' x 6	50': \$162,500 60': \$195,000 70': \$227,500	50': \$650,000 60': \$780,000 70': \$910,000
	4 (GSW)	50' x 55 60' x 44 70' x 33	50': \$162,500 60': \$195,000 70': \$227,500	50': \$650,000 60': \$780,000 70': \$910,000
Builder Subtotal: 858				

Perry Homes	1 (PHLH and GMLV)	50' x 128 60' x 69 70' x 67	50': \$147,000 60': \$177,000 70': \$206,000	50': \$640,000 60': \$685,000 70': \$735,000
	2 (GMLV)	50' x 166 60' x 96 70' x 84	50': \$147,000 60': \$177,000 70': \$206,000	50': \$640,000 60': \$685,000 70': \$735,000
	3 <sup>(1)</sup>	50' x 150 60' x 91 70' x 26	50': \$147,000 60': \$177,000 70': \$206,000	50': \$640,000 60': \$685,000 70': \$735,000
	Builder Subtotal: 877			
K. Hovnanian	3A (IA K1)	50' x 37 60' x 35 70' x 27	50': \$131,971 60': \$157,489 70': \$182,930	50': \$685,000 60': \$799,000 70': \$902,000
	3B	50' x 68 60' x 42 70' x 30	50': \$131,971 60': \$157,489 70': \$182,930	50': \$685,000 60': \$799,000 70': \$902,000
	Builder Subtotal: 239			
TriPointe	1	40' x 34	40': \$100,000	40': \$501,000
		50' x 26	50': \$116,000	50': \$591,000
		60' x 62	60': \$141-158,000	60': \$699-788,000
	2	70' x 79	70': \$143-184,000	70': \$709-905,000
40' x 83		40': \$100,000	40': \$501,000	
50' x 38		50': \$116,000	50': \$591,000	
3	60' x 62	60': \$141-158,000	60': \$699-788,000	
	70' x 39	70': \$143-184,000	70': \$709-905,000	
	60' x 121	60': \$141-158,000	60': \$699-788,000	
Builder Subtotal: 600				

<sup>(1)</sup> PHLH has entered into and expects to enter into future sales contracts for the land in Perry Homes subphase 3 and sell such land to other homebuilders for lot development (including to Columar under the Columar PSA as described above).

The Builder Pod Developers have engaged or will engage certain fee developers to develop their respective pods. K. Hovnanian and PHLH have engaged Rockhill Capital & Investments, LLC as a fee developer, and Grand Homes and Tri Pointe expect to engage BT Land as fee developer.

### Development Agreement

The City, Smiley Road Water Control & Improvement District No. 1 (“SRWCID No. 1”), Smiley Road Ltd., entered into an original development agreement with respect to all property in the Green Meadows Development effective August 11, 2008 (the “Original Development Agreement”). The Original Development Agreement has been amended and supplemented numerous times since 2008 to reflect the addition of Green Meadows Communities, Inc., URVI Properties, LLC, and BHUVI Enterprises, LLC in connection with their purchase of land in the Green Meadows Development and the addition of SRWCID No. 2 as a party after it was formed with the division of SRWCID No. 1 (as so amended and supplemented, the “Development Agreement”). The Development Agreement was partially assigned and assumed by OPP-GM, LP in connection with its purchase of land in the District, and such assigned portion of the Development Agreement has been partially assigned to and assumed by each of the OPP Landowners in connection with the transfer of land to each by OPP-GM, LP. Each of the OPP Landowners has assigned, or will assign, their respective rights and obligations under the Development Agreement to the Builder Pod Developers with respect to each of their portions of land in the District concurrent with the closing of land to each.

The Development Agreement contains standards for the development of the property in SRWCID No. 1 and SRWCID No. 2, and allows for a variety of residential and commercial uses within SRWCID No. 1 and SRWCID No. 2 Under the Development Agreement, developers within the District will pay certain park dedication fees and roadway capital recovery fees. The owner parties to the Development Agreement have also agreed to dedicate certain

land for road right of way, public safety facilities, parks, trails, open space and schools. The Development Agreement also contains requirements that the owner parties construct certain roads, obtain and dedicate certain right of way, and construct certain landscape buffers for the development.

The Development Agreement provides that the parks and open space will be developed in phases in when the adjacent phase of development is final platted. Open space areas shall be maintained by a homeowners' association or SRWCID No. 1 and SRWCID No. 2, as applicable, but shall be open to the public (excluding amenity centers, which shall be private). Open space shall be in conformance with the City's Neighborhood Vision Book. In addition, the Master Developer has agreed to reserve, improve and maintain, at no cost to the City, the following, as generally depicted in the Development Agreement, at mutually agreed upon locations: (i) amenity center at the locations shown on the land plan; (ii) park and open space land that makes efficient use of open space, flood plains, and non-floodplains for the entire base area; and (iii) 10' wide concrete trails along the creek, floodplains or lakes, including trail heads, in conformance with the Neighborhood Vision Book of the City containing the following amenity items within the linear park: fitness stations; a dog park; playgrounds; frisbee golf or other similar uses and improvements approved by the Director of Development Services.

In accordance with the Development Agreement, the City will provide police, fire, and emergency services, along with code enforcement, to the property in SRWCID No. 2 and that the City's building codes, fire codes, and materials regulations shall apply. The Development Agreement provides that Mustang SUD will provide solid waste/trash collection in accordance with Mustang SUD's contract for such services with the City.

The City has agreed in the Development Agreement that the City will not annex the property in SRWCID No. 1 or SRWCID No. 2 (which includes the land within the District), except for limited purpose annexations of commercial or retail areas, until the earlier of (a) the completion of infrastructure needed to service at least 90% of the single-family land area within SRWCID No. 2 and bonds have been sold to reimburse the respective developer for such infrastructure or (b) the facilities required to serve 100% of the usable land within SRWCID No. 2 are constructed an operational.

The term of the Development Agreement ends on August 11, 2038.

### **Future Improvement Area Bonds**

Future Improvement Area Bonds to finance the cost of improvements benefitting the Future Improvement Area (the "Future Improvement Area Improvements") are anticipated to be issued in the future. The estimated costs of the Future Improvement Area Improvements will be determined at the same time the Future Improvement Areas are developed, and the Service and Assessment Plan will be updated to identify the Future Improvement Area Improvements to be constructed within the applicable Future Improvement Area and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area. The Master Developer anticipates that Future Improvement Area Bonds will be issued over a five-year period.

The Bonds, the Major Improvement Area Bonds and any Future Improvement Area Bonds issued by the County are separate and distinct issues of securities. The County reserves the right to issue Future Improvement Area Bonds for any purpose permitted by the PID Act, including those described above.

### **Zoning**

The Development Agreement imposes development standards but there is no separate zoning or planned development ordinance applicable to the Property. Certain of the property in the District has been preliminarily platted but has not been, and is not expected to be, annexed until such time as the conditions to annexation set forth in the Development Agreement are met. To the extent that the City does annex the property in the District, the Development Agreement provides that the City shall consider zoning consistent with the standards applicable to the District in the Development Agreement.

## Amenities

Amenities in the Green Meadows Development currently include an approximately 10,000 sf clubhouse with a fitness center, party rooms, event spaces and a kitchen and pool, along with parks, open spaces and trails, all of which are located outside the District. Photographs of the existing clubhouse and pool area are below:



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It is expected that the existing amenity center will be upgraded by the Master Developer. Construction of the existing amenity center upgrade (the “Amenity Center Upgrade”) is expected to begin in Q2 2025 and be completed in Q3 2026. The expected cost of the existing Amenity Center Upgrade is \$2,500,000, which will be funded by the Master Developer with funds provided through closings under the Builder Pod Developer PSAs and equity.

Two additional amenity centers will be constructed within the District for use by residents of the Green Meadows Development, along with additional park and trail amenities that will be developed as the phases of development within the District come online. Construction of the park and trail amenities serving the Development is expected to begin in 2025 and be completed concurrent with each of the phases of the Development.

The second amenity center in the Green Meadows Development (“Amenity Center #2”), which will be located within the District, will be jointly funded by PHLH and TriPointe (50% each with cash available to each deposited in a joint escrow account), and be constructed by TriPointe. Amenity Center #2 is expected to contain a pool and children’s pool area, shade structures, a tanning ledge, an outdoor kitchen, a fire pit, a community center, a walking trail, a playground, pickleball courts and an artificial turf game lawn. The expected cost of Amenity Center #2 is \$5,263,082. Construction of Amenity Center #2 is expected to begin in March 2026 and be completed by March 2027. Renderings of Amenity Center #2 are not yet available.

A third amenity center (“Amenity Center #3”) is expected to be constructed by Grand Homes, which is expected to cost approximately \$6,500,000 and contain a lazy river, pool, pickleball, workout center, kids playground, large fishing pond with walking trails surrounding, sport court, corn hole, gathering area with firepits and picnic tables. Construction of Amenity Center #3 is expected to begin in late 2026 and be completed in early 2028. Renderings of Amenity Center #3 are not yet available.

The Development Agreement contains certain agreements with respect to the dedication of open spaces and construction of amenity centers as described under “THE DEVELOPMENT – Development Agreement.” The Master Developer currently expects that the applicable provisions in the Development Agreement will be met.

## Education

Children in a portion of the Development (Tracts 3-8 shown on the Concept Plan) will attend schools in Celina Independent School District (“CISD”), which encompasses 96 square miles serving the residents of the City in Collin and Denton Counties, and the communities of Alla and Weston. CISD enrolls over 4,700 students in one high school, one junior high school, and three elementary schools and one early childhood/primary school. Students in the District will attend Lykins Elementary School (approximately 4.9 miles from the District), Moore Middle School (approximately 9 miles from the District) and Celina High School (approximately 9.5 miles from the District). According to the Texas Education Agency, CISD, Lykins Elementary School, Moore Middle School, and Celina High School all received a “District Accountability Rating” of A from the TEA for the 2021-2022 school year, the latest school year for which ratings are available. GreatSchool.org rates Lykins Elementary a 5/10, Moore Middle School a 6/10, and Celina High School a 6/10.

Children in a portion of the Development (Tracts 9-12 shown on the Concept Plan), will attend schools in Prosper Independent School District (“PISD”) which encompasses approximately 59 square miles and serves a portion of Collin and Denton Counties. PISD enrolls over 31,000 students in four high schools, five middle schools, eighteen elementary schools and one early childhood school. Students in the District desiring to attend public school will attend Hall Elementary School (approximately 3.3 miles from the District), William Rushing Middle School (approximately 3.4 miles from the District) and Prosper High School (approximately 5.3 miles from the District). According to the TEA, PISD, William Rushing Middle School and Prosper High School each received a “District Accountability Rating” of “A” from the TEA for the 2021-2022 school year, the latest school year for which ratings are available. Hall Elementary School opened in fall 2022 and has not yet been rated by the TEA. Greatschools.org rates William Rushing Middle School an 8/10 and Prosper High School a 7/10. Greatschools.org has not yet rated Hall Elementary School.

In addition, two sites have been reserved for potential future construction of schools within the District in accordance with the Development Agreement. See “THE DEVELOPMENT – Development Agreement.”

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

Third parties hold title to certain rights applicable to real property within and around the District (the “Mineral Owners”), including reservations of mineral rights and royalty interests and easements (collectively, the “Third-Party Rights”) pursuant to various instruments in the chain of title for various tracts of land within and immediately adjacent to the District. Some of these reservations of mineral rights include a waiver by the Mineral Owners of their right to enter onto the surface of the property to explore, develop, drill, produce or extract minerals within the District. If the waiver is applicable, such Mineral Owners may only develop such mineral interests by means of wells drilled on land outside of the property of the District.

The Master Developer and the Builder Pod Developers are not aware of any ongoing mineral rights development or exploration on or adjacent to the property within the District. The Master Developer and the Builder Pod Developers are not aware of any interest in real property (including mineral rights) owned by the Mineral Owners adjacent to the District. Certain rules and regulations of the Texas Railroad Commission may also restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues.

Although the Master Developer and the Builder Pod Developers do not expect the above-described Third-Party Rights, or the exercise of such rights or any other third-party real property rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Master Developer and the Builder Pod Developers make no guarantee as to such expectation. See “BONDHOLDERS’ RISKS — Exercise of Third-Party Property Rights.”

## Environmental

*Phase One.* A Phase One Environmental Site Assessment (a “Phase One ESA”) of land within the District, was completed in September 2023 by Nova Group. Based on the information presented in the Phase One ESA, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site



reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site.

In addition, the Phase One ESA indicated 404 ephemeral stream locations for Tributary 10 Doe Branch beginning at Carey Road downstream to the south boundary line of District. Since date of the ADJ new regulations from the U.S. Army Corps of Engineers and the Environmental Protection Agency dated April 21, 2020, have eliminated ephemeral streams from being jurisdictional. All stream crossings of roads and utilities have been designed to meet the prior Nationwide Permits for crossings of ephemeral streams which then did not require a Pre-Discharge Notification. Currently the crossings are not jurisdictional.

Endangered Species. According to the website for the United States Fish and Wildlife Service, the whooping crane and the least tern are endangered species in Collin County. The Master Developer is not aware of any endangered species located on District property.

### **Flood Designation**

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) Community Panel Number 48121C0290G, effective April 18, 2011, an approximately 96.23-acre portion of the property in the District is currently located in Zone A which corresponds to special flood hazard areas subject to inundation by the 100-year flood. Mandatory flood insurance purchase requirements apply in areas designated as Zone A. Approximately 37.61 acres of such flood plain land, approximately 6.76 acres of which are located on Tract 5, 1.75 acres of which are located on Tract 6, 0.13 acres of which are located on Tract 7, 8.99 acres of which are located on Tract 8, 3.90 acres of which are located on Tract 9, 5.87 acres of which are located on Tract 10, 2.53 acres of which are located on Tract 11, and 7.66 acres of which are located on Tract 12 are expected to be reclaimed for lot development. If such property is reclaimed and a letter of map revision obtained, such flood insurance requirements will not apply. The Master Developer has received a conditional Letter of Map Revision (“CLOMR”) for the portion of the flood plain acreage on Tracts 5, 6, 7, 8, 9, 10, 11 and 12, and expects to submit a request for a Letter of Map Revision (“LOMR”) after completion of lot development. To the extent necessary for lot development in their respective pods, the Builder Pod Developers expect to submit for CLOMRs prior to lot development and LOMRs after completion of lot development. The remaining flood plain acreage in the District is expected to be dedicated to SRWCID No. 2 for use as open space.

### **Utilities**

Water and Wastewater. Mustang SUD will provide both water and wastewater service to the District, and all existing and future water improvements and wastewater improvements will be dedicated to and owned and operated by Mustang SUD. Wastewater treatment services will be provided by Mustang SUD through a contract with the Upper Trinity River Water District (“UTRWD”) to treat Mustang SUD wastewater at the UTRWD wastewater treatment plant. Mustang SUD provides water and wastewater service to an area of approximately 120 square miles in Northeast Denton County. Mustang SUD’s fresh water supplies are obtained through both groundwater wells and surface water treatment. Mustang SUD has 18 ground storage tanks and 7 elevated storage tanks. Treated surface water pumping is provided through the Temple Dane Pump Station located on FM 720 just south of US Highway 380. Wastewater treatment is provided through a subscription through water reclamation plants operated by the UTRWD.

Mustang SUD, SRWCID No. 1 and SRWCID No. 2 (as successor in interest after division of SRWCID No. 1) and the previous owners of land in the District entered into a Non-Standard Service Agreement (“NSSA”) pursuant to which Mustang SUD agreed to provide water and wastewater service to the Green Meadows Development. Under the NSSA, SRWCID No. 1 and SRWCID No. 2, as applicable, are responsible for the construction of any on and off-site improvements required to provide such water and sewer service, and such entities shall be reimbursed for the cost of off-site improvements with credits to connection fees. In addition, a two-acre site was required to be dedicated for the construction of a water tower in the District.

Other Utilities. Additional utilities in the District are expected to be provided by: (1) Phone/Data - AT&T; (2) Electric - CoServ; (3) Cable – AT&T; and (4) Natural Gas - CoServ.



## **Smiley Road Water Control and Improvement District No. 2**

The Development is located within the SRWCID No. 2, which was created after the division of SRWCID No. 1's original territory, giving SRWCID No. 2 the same powers and duties of SRWCID No. 1. SRWCID No. 1 was created by Senate Bill 1828 as passed by the 79<sup>th</sup> Legislature, Regular Session of the State of Texas and operates pursuant to Article XVI, Section 59 of the Constitution of the State and Texas Water Code, Chapters 49 and 51. The powers and duties of SRWCID No. 1 were subsequently modified by House Bill 4287 as passed by the 85<sup>th</sup> Legislature, Regular Session of the State of Texas, giving SRWCID No. 1 the power to be divided into two or more districts. SRWCID No. 2 was created to provide water supply, treatment, and distribution facilities, wastewater control facilities, storm drainage facilities and road construction and operation for the anticipated development within the District.

After an election held on November 6, 2018, SRWCID No. 2 was authorized to:

- issue bonds payable from ad valorem taxes in one or more issues or series in the maximum amount of \$99,300,000 to provide for a waterworks system, a sanitary sewer system and drainage and storm sewer system for SRWCID No. 2;
- issue refunding bonds payable from ad valorem taxes in one or more issues or series in the maximum amount of \$124,125,000 to provide for a waterworks system, a sanitary sewer system and drainage and storm sewer system for SRWCID No. 2;
- issue bonds payable from ad valorem taxes in one or more issues or series in the maximum amount of \$186,800,000 for the purposes of constructing, maintaining and operating macadamized, graveled or paved roads and turnpikes, or in aid thereof for SRWCID No. 2;
- issue refunding bonds payable from ad valorem taxes in one or more issues or series in the maximum amount of \$233,500,000 the purposes of constructing, maintaining and operating macadamized, graveled or paved roads and turnpikes, or in aid thereof for SRWCID No. 2;
- to impose of a tax not to exceed \$1.00 per \$100 of assessed valuation on all taxable property within SRWCID No. 2 to secure funds for operation and maintenance purposes; and
- assume the rights, authority, privileges and functions of a road utility district.

To date, SRWCID No. 2 has not issued bonds or imposed an ad valorem tax on any property within the District. SRWCID No. 2 anticipates levying a maintenance tax in the future but does not anticipate levying the full maintenance tax authorized. The maintenance tax rate may be in an amount up to \$0.10/\$100. SRWCID No. 2 is not expected to issue any of the approved bonds in the near future or levy a debt service tax therefor.

The Master Developer, PHLH, K. Hovnanian and GORD have entered into or will enter into the Facilities Reimbursement Agreements with SRWCID No. 2 pursuant to which SRWCID No. 2 may provide reimbursement for the cost of Local Improvements installed on each respective Builder Pod Developers' land in SRWCID No. 2 through the issuance of ad valorem tax bonds. It is not currently expected that the Builder Pod Developers will utilize such funding for reimbursement of Local Improvements, but the Builder Pod Developers have reserved or will reserve the option to seek such reimbursement of Local Improvements from SRWCID No. 2. No ad valorem tax bonds will be issued for Local Improvements funded through the District.

SRWCID No. 2 will own and maintain all drainage and roadway public improvements. Pursuant to the Interlocal Agreement between the County and SRWCID No. 2, SRWCID No. 2 is expected to agree that it will not finance any water, wastewater, roadway or drainage improvements that have been financed by the County through use of the District and that each reimbursement agreement between SRWCID No. 2 and any of the developers shall be updated to reflect that the improvements financed by the District and any road or drainage bond authorizations of SRWCID No. 2 shall be decreased in the commensurate amount of the County bonds secured by the Assessments and used to finance the improvements dedicated to SRWCID No. 2.

## **THE MASTER DEVELOPER, THE OPP LANDOWNERS AND THE BUILDER POD DEVELOPERS**

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

### **General**

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves 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 Master Developer and the OPP Landowners**

The Master Developer, Celina 6, LP, is a limited partnership formed primarily for the purpose of acquiring certain land in the District and developing the Major Improvements. The Master Developer and each additional OPP Landowner are organized as Texas limited partnerships. The limited partner of the Master Developer and each additional OPP Landowner is OPP-GM, LP, which is the 100% owner of the Master Developer and each additional OPP Landowner. The general partner of the Master Developer and each additional OPP Landowner is GP-GM, LLC. The general partner of OPP-Green Meadows, LP is OPP-GM GP, LLC. Teague Griffin and Jeff Brawner are each 50% managing members of GP-GM, LLC and OPP-GM GP, LLC.

The Master Developer and the OPP Landowners are affiliated with Old Prosper Partners, LLC ("OPP"). OPP is a privately owned investment firm focused on high quality real estate assets in the state of Texas. OPP currently owns and manages a wide array of real estate properties. Since 2020 OPP has acquired over 6,000 acres of land in North Texas and sold over 1,000 acres. During that time period, OPP has raised and deployed over \$500 million of equity.

Through their various investment vehicles (including Old Prosper Partners, LLC), Mr. Griffin and Mr. Brawner, along with other investment partners, have been or are involved as principals in various large land, residential and retail/mixed-use projects in North Texas, including the following:

#### Fields

- \$14 Billion mixed-use development on 2,500 acres, located in Frisco, South of 380 from Preston Road west past the DNT to Teel up to 380 with partners Fehmi Karahan and Ray Hunt.
- Planned Development Ordinance (approved April 2020) allowing 18,000 residential dwellings, 8,000 MF units, as well as a large core of commercial space along 380, the DNT and Preston Road.
- Development Agreement for public/private infrastructure covering 2,000 acres (all original tract less portion sold to PGA/TRT) approved January 2021.
- Industrial partnership with Crow Holdings (Harlan Crow) for "soft" "last mile" industrial along Preston Road (ground break February 2022).

#### Colmena Ranch

- The largest contiguous undeveloped land tract in Collin County that has over 8 miles of frontage of The Outer Loop. The development will contain thousands of homes, apartments, as well as millions of square feet of mixed-use space.

#### Liberty Hills Anna

- \$2 Billion mixed-use development bisected by U.S. 75 that has an approved PID/TIRZ district and will contain approximately 1,800 single family homes, 1.5 million square feet of commercial/retail space, and 2,800 apartment units.

#### Green Meadows

- 1,000-acre master planned community along the Dallas North Tollway that is currently under development and is fully entitled for over 3,000 single family homes within Prosper ISD and Celina ISD, along with approximately 1,000 multifamily units and commercial property.

#### Legacy West

- 240 acre “super-regional” development with partners Fehmi Karahan, Robert Shaw, Roger Staubach and KDC.
- Hosted corporate relocations for Toyota, FedEx, Liberty Mutual and JPMorgan Chase
- Developed 1800 multifamily units and over 325,000 of retail/restaurant space with additional 300,000 of office space.
- Final 170 MF units commenced pre-development in December 2021.

#### Shops at Legacy

- Located in Legacy Town Center, with 3500 apartments (Columbus Realty), 410 townhomes (sold to Goodman Homes) and a hotel and adjacent office development by others.
- Developed more than 600,000 sf of retail, office and entertainment with partner Fehmi Karahan.

#### MacArthur Crossing

- Developed 110-acre parcel at SEC 635/MacArthur with partner Fehmi Karahan, that included sales to Baylor Hospital, Hilton Hotel and office users.
- Developed a grocery-anchored retail center (Albertson’s) with multiple pads.

In addition to the specific projects described above, these principals have been involved in the development and ownership of various smaller projects such as neighborhood retail centers and other grocery and non-grocery anchored strip centers around North Texas.

### **Executive Biographies of the Master Developer**

*Teague Griffin.* Mr. Griffin is a partner and owner of OPP. Mr. Griffin is also a partner and owner of Brown & Griffin Real Estate Advisors, LP – a prominent real estate brokerage & development firm that he co-founded in 2006 that has been involved in many significant transactions in Collin, Denton, and Grayson Counties.

*Jeff Brawner.* Mr. Brawner is a partner and owner of OPP. Mr. Brawner is also a partner and owner of G&B Interests, Inc. – a successful real estate investment company he co-founded in 1991 that has been involved in notable real estate developments across North Texas including 2500 Cedar Springs, Legacy West, and Fields Frisco. Mr. Brawner received his undergraduate degree and Juris Doctor from the University of Texas at Austin.

### **Description of Grand Homes**

GSW is an investment entity affiliated with Grand Homes and GORD is a special purpose development entity affiliated with Grand Homes. GORD will serve as the developer of the land, through its affiliated entities, and as

homebuilder in Improvement Area G1A and Improvement Area G1B and the remainder of Zone G. GSW will serve as a land banking entity for portions of Zone G. “Grand Homes” is the trade name of various limited partnerships, limited liability companies, and other corporate entities founded and held by Stephen H. Brooks. Grand Homes is a local homebuilder, established in 1986, that builds over 400 semi-custom homes a year exclusively in the Dallas/Ft. Worth Metroplex. Grand Homes thrives in the Dallas market with innovative, award-winning architectural designs, and has built in over 240 communities and sold over 12,000 homes. Grand Homes is America’s Best Builder, awarded by BUILDER Magazine and is a nationally recognized, award-winning leader in the homebuilding industry. Grand Homes was founded in 1986 by Stephen Brooks.

### **Description of K. Hovnanian**

K. Hovnanian will serve as the Builder Pod Developer in Improvement Area K1 and the remainder of Zone K. The land in Zone K is owned by WFGM as land bank for K. Hovnanian. K. Hovnanian is a wholly owned subsidiary of Hovnanian Enterprises, Inc. Founded in 1959, Hovnanian Enterprises, Inc., designs, constructs and markets a variety of for-sale housing in 129 residential communities in 13 states. Hovnanian ranks among the largest homebuilding companies in the U.S., with total revenues of \$2.76 billion on 5,473 home deliveries in fiscal 2023.

Hovnanian Enterprises™ through its subsidiaries, is one of the nation’s largest homebuilders with operations in Arizona, California, Delaware, Florida, Georgia, Maryland, New Jersey, Ohio, Pennsylvania, South Carolina, Texas, Virginia, Washington, D.C. and West Virginia. The company’s homes are marketed and sold under the trade name K. Hovnanian® Homes.

Hovnanian Enterprises, Inc. is a publicly traded company on the New York Stock Exchange under the ticker symbol “HOV.” HOV 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 HOV is No. 1-8551. 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 HOV 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.

### **Description of Perry Homes**

PHLH will serve as the developer of the land and homebuilder in Improvement Area P1 and the remainder of Zone P. GMLV is also an ownership entity in Improvement Area P1 and a Future Improvement Area in Zone P. PHLH is a special purpose development entity associated with Perry Homes and GMLV is an investment entity under common control with Perry Homes. Perry Homes was founded in 1967 and is privately held and family owned. Perry Homes has built luxury homes across Texas and Florida - only building in premier communities with desirable locations, amenities, and schools. Perry Homes is active in Austin, Dallas-Fort Worth, Houston and San Antonio, Texas, and in Tampa and other areas in southeast and southwest Florida, and recently completed an acquisition of MasterCraft Builder Group to expand its operations in Florida. Perry Homes has built in over 120 communities and sold over 65,000 homes.

### **Description of TriPointe**

TriPointe is expected to develop lots in additional phases of the District not currently being developed into finished lots. As described under “THE DEVELOPMENT – Builder Pod Developer Purchase and Sale Agreements,” TriPointe is expected assign its rights under the TriPointe PSA to an unaffiliated land banking entity and closing is expected to occur in April 2025. TriPointe is expected to enter into an option and construction agreement with such unaffiliated land banking entity and develop the finished lots on land subject to the TriPointe PSA.

TriPointe was founded in 2009 and is one of the largest public homebuilding companies in the U.S. TriPointe operates in 15 Divisions across the U.S. Opening new Divisions in Salt Lake City, Utah, Orlando, Florida and

Charleston South Carolina in 2014. Tri Pointe closed 601 homes in DFW with an average sales price of \$520,000 and owns or controls 4,500 single-family lots in DFW positioned for growth.

TriPointe is a publicly traded company on the New York Stock Exchange under the ticker symbol “TPH.” TPH 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 TPH is No. 1-35796. 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 TPH 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.

## ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN

### The Master Developer and OPP Landowners – Property Acquisition, Subsequent Sales and Financing of Major Improvements

OPP-GM, LP purchased the approximately 1,071 acres of Purchased Property on July 18, 2023, which was an assemblage of (i) approximately 1,009 acres purchased from Smiley Road, Ltd. and Green Meadows Community, Inc. and (ii) approximately 62 acres purchased from Green Meadows Community, Inc. The Purchased Property included the land comprising the District. The total purchase price of the Purchased Property was \$150,703,280, which was funded entirely with equity provided through the limited partners of OPP-GM, LP.

Subsequent to its purchase of the Purchased Property, OPP-GM, LP subdivided the Purchased Property and transferred it to OPP affiliated entities as described below:

<b>Acres</b>	<b>Entity</b>	<b>Transfer Date</b>
154.53	Celina 6, LP (the Master Developer)	January 23, 2024
312.45	GM-Celina, LP	January 26, 2024
208.59	North Celina, LP	January 26, 2024
257.70	South GM, LP	April 9, 2024

Approximately 152.402 acres of the land transferred to the Master Developer, approximately 149 acres of which is outside the boundaries of the District and approximately 3 acres of which is located in the District, was subsequently sold to Brightland at a sale price of \$50,000,000 on May 28, 2024. See “THE DEVELOPMENT – Overview.” The land transferred to Brightland is part of the Green Meadows Development, but primarily located outside of the District.

GM-Celina, LP contracted to sell approximately 194.975 acres of its land in the District to PHLH (a special purpose development entity under common control with Perry Homes) on August 29, 2024, at a sale price of \$75,000,000. PHLH concurrently sold approximately 66.49 acres of such land in the District to WFGM, which is serving as a land bank for K. Hovnanian as described under “THE DEVELOPMENT – Builder Pod Developer Purchase and Sale Agreements” at a sale price of \$34,611,980. PHLH acquired its land in the District using cash. WFGM acquired its land in the District using the Southside Loan (as defined herein) as described below. GM-Celina, LP sold an additional 91.12 acres to GMLV on January 31, 2025, at a sale price of \$39,880,000, which was price was paid by GMLV with available corporate cash.

South Celina GM, LP sold approximately 139.440 acres of land to GSW at a sale price of \$60,549,780 and 118.257 acres of land to GORD at a sale price of \$50,450,219, which acreage collectively constitutes Tracts 10, 11 and 12 in the District, on January 24, 2025. GORD and GSW’s respective purchases of land were financed with fund provided through Grand Homes entities which are control by trusts for the Stephen H. Brooks family. Each of such trust entities has retained a deed of trust in favor of the respective trust entity on the applicable land.

North Celina, LP is under contract to sell its land in the District to the TriPointe as described under “THE DEVELOPMENT – Builder Pod Developer Purchase and Sale Agreements.” TriPointe expects to acquire its property in the District with cash.

The OPP Landowners have retained or will retain certain undevelopable acreage not sold to or under contract with the Builder Pod Developers and expect to dedicate such acreage to SRWCID No. 2 as open space, right of way, or drainage acreage.

The Master Developer has entered into or will enter into separate “Master Infrastructure Agreements” with each of the Builder Pod Developers concurrently with the closing to each of the Builder Pod Developers pursuant to which the Master Developer will agree to construct the Major Improvements and each of the Builder Pod Developers will agree to cooperate in the construction of and grant a temporary construction easement to the Master Developer for the construction of the Major Improvements. The Master Developer has funded construction of the Major Improvements with equity and funds provided through the subsequent sales of the Purchased Property and expects to be reimbursed for a portion of such costs with the proceeds of the Major Improvement Area Bonds. The Master Developer expects to fund ongoing construction of the Major Improvements with proceeds of the Major Improvement Area Bonds.

### **Builder Pod Developers – Financing of Improvement Area #1 Projects**

It is expected that the Builder Pod Developers will finance development of Local Improvements for their respective portions of land within the District utilizing cash or loans as necessary along with the proceeds of the Bonds and Future Improvement Area Bonds, as applicable. See “SOURCES AND USES OF FUNDS.”

The expected financing mechanisms for the Improvement Area #1 Projects and certain other improvements benefitting the various Improvement Areas within Improvement Area #1 are described below.

Improvement Areas G1A and G1B Local Projects Financing; Zone G Acquisition Financing. The expected cost of the Improvement Area G1A Local Projects is \$14,487,142\* and Improvement Area G1B Local Projects is \$12,002,996\*. GORD expects that the Improvement Area G1A Local Projects and the Improvement Area G1B Local Projects will be financed with the proceeds of the Bonds and with available corporate cash and earnest money to be deposited by Grand Homes related entities and other entities which have entered into contract with GORD to purchase finished lots in the future.

Improvement Area K1 Local Projects Financing. The expected cost of the Improvement Area K1 Local Projects is \$6,605,463\*. K. Hovnanian will serve as the Builder Pod Developer in Zone K. K. Hovnanian will fund development costs in Improvement Area K1 not funded by the proceeds of the Bonds, funds deposited under the K. Hov-Perry Escrow Agreements (as defined below), and with corporate cash available from operations.

PHLH, WFGM, K. Hovnanian and Executive Title Company, LLC have entered into (i) an Onsite Infrastructure Escrow Agreement pursuant to which PHLH and K. Hovnanian have each deposited \$681,582 to cover the costs of constructing a portion of McNabb Drive and PHLH has agreed to construct McNabb Drive and (ii) a Development and Escrow Agreement pursuant to which PHLH and K. Hovnanian has deposited \$794,329 and PHLH has deposited \$1,612,730 to cover the costs of a lift station and PHLH and K. Hovnanian have each deposited \$861,909 to cover the costs of constructing Emerald Way (such agreements, collectively, the “K. Hov-Perry Escrow Agreements”). Under the Development and Escrow Agreement, K. Hovnanian and PHLH will share in the construction obligations of the lift station and Emerald Way.

In addition, WFGM is acting as land bank and financing the construction of the private improvements in Zone K. WFGM has obtained a loan (the “Southside Loan”) from Southside Bank (“Southside”) in an amount up to \$24,105,990 for the purpose of providing funds to acquire Zone K property and funding the private improvements in Improvement Area K1. The Southside Note bears variable interest calculated monthly at the Wall Street Journal Prime Rate. Interest payments on the Southside Loan are due monthly, and principal reductions are due approximately every

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\* Preliminary; subject to change.

90 days commencing November 30, 2026, which payments are scheduled to coincide with the takedown of lots under the K. Hovnanian Option Agreement. The final principal payment is due at maturity of the Southside Loan. The Southside Loan matures on February 29, 2029. As of February 7, 2025, the outstanding balance of the Southside Loan is \$18,541,320. K. Hovnanian has consented to, and retains a right to cure any defaults under, the Southside Loan.

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

*Improvement Area P1 Local Projects Financing.* The expected cost of the Improvement Area P1 Local Projects is \$13,840,198\*. PHLH expects that the Improvement Area P1 Local Projects will be financed with the proceeds of the Bonds, with funds deposited under the K. Hov-Perry Escrow Agreements, and with corporate cash provided as described below.

PHLH's corporate cash funding is provided through a senior, unsecured revolving credit facility (the "Unsecured Revolving Credit Facility") with a lender group comprised of nine banks including U.S. Bank National Association, PNC Bank, National Association, Fifth Third Bank, National Association, Regions Bank, Truist Bank, Wells Fargo Bank, N.A., Texas Capital Bank, Zions Bancorporation, N.A. d/b/a Amegy Bank, and Third Coast Bank, SSB. The Unsecured Revolving Credit Facility provides the Managing Developer with \$800,000,000 in commitments. As of February 1, 2025, the Unsecured Revolving Credit Facility provides a total of \$335,000,000 in remaining commitments through July 26, 2027. The Unsecured Revolving Credit Facility does not provide for specific commitments available for any project.

Additional funding for Improvement Area P1 Local Projects may be provided through the GMLV Development Agreement as described under "THE Development – Builder Pod Developer Purchase and Sale Agreements."

### **Builder Pod Developers – Engagement of Fee Developers**

Certain of the Builder Pod Developers have engaged or expect to engage certain firms as fee developers for their respective property. PHLH and K. Hovnanian have engaged Rockhill Capital and Investments, LLC to act as fee developer for its pod, and Tri Pointe and GORD have engaged or will engage BT Land to act as fee developer for their respective pods.

### **THE ADMINISTRATOR**

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

The Administrator, Willdan Financial Services, is a consulting that provides financial expertise in consulting counties and administration services for special financing districts. The Administrator's expertise includes post-issuance compliance reporting, with specific attention to requirements for continuing disclosure and arbitrage rebate. The Administrator also provides rate studies and asset valuations support, as well as software expertise to support financial assessment, reporting, and energy grid planning.

The County and the Administrator have entered into a letter agreement for administration of the District (the "Willdan Agreement") with Willdan Financial Services as the "Administrator" to provide specialized services related

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\* Preliminary; subject to change.

to the administration of the District needed to support the issuance of the Bonds. The services to be provided to the County under the Willdan Agreement will include administrative support services related to the Assessments, including delinquency management and prepayment of Assessments.

## APPRAISAL

### The Appraisal

*General.* Peyco Southwest Realty, Inc. (the “Appraiser”), prepared an appraisal report for the County effective as to each identified area in the District as of the dates specified below, based upon a physical inspection of Improvement Area #1 conducted on August 6, 2024 (the “Appraisal”). The Appraisal was prepared at the request of the County and the Underwriter. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Improvement Area #1. The Appraisal is attached hereto as APPENDIX E 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 E — Appraisal.”

*Value Estimates.* The Appraiser estimated the aggregate market value of:

- the fee simple interest in various tracts of land in Improvement Area G1A under the extraordinary assumption that the Improvement Area G1A Local Projects and the Major Improvements are completed, effective as of February 1, 2026;
- the fee simple interest in various tracts of land in Improvement Area G1B under the extraordinary assumption that the Improvement Area G1B Local Projects and the Major Improvements are completed, effective as of February 1, 2026;
- the fee simple interest in various tracts of land in Improvement Area K1 under the extraordinary assumption that the Improvement Area K1 Local Projects and the Major Improvements are completed, effective as of July 1, 2026; and
- the fee simple interest in various tracts of land in Improvement Area P1 under the extraordinary assumption that the Improvement Area P1 Local Projects and the Major Improvements are completed, effective as of July 1, 2026.

See “THE DEVELOPMENT – Development Plan,” “—Builder Pod Developer Purchase and Sale Agreements” and “—Expected Build-Out and Home Prices in the District,” and “THE IMPROVEMENT AREA #1 PROJECTS.” The Appraisal does not reflect the as-is condition of Improvement Area #1 as the Major Improvements, the Improvement Area G1A Local Projects, the Improvement Area G1B Local Projects, the Improvement Area P1 Local Projects and the Improvement Area K1 Local Projects have not yet been constructed. Moreover, the Appraisal does not reflect the value of Improvement Area #1 as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for Improvement Area #1. See “APPENDIX E — Appraisal.”

The value estimate for the assessable property within Improvement Area #1, which includes the finished lot values in Improvement Area G1A, Improvement Area G1B, Improvement Area P1, and Improvement Area K1, using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal is as set forth below:

Area	Effective Date	Value
Improvement Area G1A	February 1, 2026	\$30,660,000
Improvement Area G1B	February 1, 2026	25,690,000
Improvement Area K1	July 1, 2026	15,110,000
Improvement Area P1	July 1, 2026	37,860,000
<b>Total</b>		\$109,320,000



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

### **General**

**THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY 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 COUNTY 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 COUNTY 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 COUNTY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE COUNTY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE COUNTY OTHER THAN THE PLEDGED REVENUES, AND OTHER FUNDS COMPRISING THE TRUST ESTATE.**

The ability of the County to pay debt service on the Bonds as due is subject to various factors that are beyond the County's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #1 of the District to pay Assessments levied by the County, (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 lots within Improvement Area #1 of the District, it being understood that poor economic conditions within the County, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in Improvement Area #1 of the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within Improvement Area #1 of the District should proceed more slowly than expected and the Builder Pod Developers and owners of land in Improvement Area #1 are unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #1 of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the County or the County'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 County 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 County the matters set forth under the heading “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” which include, among others, a representation and acknowledgment that the purchase of the 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.

### **Assessment Limitations**

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

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in Improvement Area #1 of the District, the County 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 lien securing an Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, §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 §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 Orders. However, an Assessment Lien may not be foreclosed upon if any Pre-existing Homestead Rights were properly claimed prior to the adoption of the Assessment Orders for as long as such rights are maintained on the property. It is unclear under Texas 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 Texas 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 Orders, no such homestead rights within any of Improvement Area #1 will have been claimed. The landowners listed under “THE DEVELOPMENT – Overview” have represented that they will own their respective property, which constitutes all property within Improvement Area #1 of the District as of the date of the Assessment Orders. None of such entities is eligible to claim homestead rights. Consequently, there are and can be no homestead rights on the Assessed Parcels superior to the Assessment Lien and, therefore, the Assessment Liens against the assessed property within each Improvement Area within Improvement Area #1 may be foreclosed upon by the County.

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

THE ASSESSMENTS WILL 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 WILL BE A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT.

**The Assessments levied for the payment of the Bonds and the Major Improvement Area Assessments which are expected to be levied for and pledged to the payment of the Major Improvement Area Bonds have a lien of equal dignity of the parcels assessed therefor. In the event of partial payments of the Annual Installments of the Assessments and the Major Improvement Area Assessments, the Denton County Tax Assessor/Collector advises that such partial payments will be applied to the payment of the Annual Installments of the Assessments and the Major Improvement Area Assessments on a pro rata basis unless otherwise directed by the payer of such Annual Installments of the Assessments and the Major Improvement Area Assessments. In an event of a foreclosure for nonpayment of the Assessments and the Major Improvement Area Assessments, proceeds received as a resolution of the foreclosure proceeding are anticipated to be applied on a pro rata basis to the Major Improvement Area Assessments and the Assessments.**

#### **Exceedance of Maximum Assessment Could Trigger Assessment Prepayment and Optional Redemption**

The Service and Assessment Plan establishes a “Maximum Assessment” for each lot type in Improvement Area #1 of the District, which Maximum Assessment is currently calculated as shown in the column “Assessment Per Lot” in the respective charts for each Improvement Area set forth under “ASSESSMENT PROCEDURES – Assessment Amounts” herein.

Prior to the approval of a final subdivision plat in Improvement Area #1, the Administrator will certify that such plat will not result in the Assessment per lot for any lot type exceeding the applicable Maximum Assessment. If the Administrator determines that the resulting Assessment per lot for any lot type will exceed the applicable Maximum Assessment, the Service and Assessment Plan provides that the person or entity filing the plat shall make a mandatory prepayment of the Assessments. See “ASSESSMENT PROCEDURES – Assessment Amounts – *Maximum Assessment.*”

No plat has been filed for lots in Improvement Area #1 of the District. In the event that the combined tax rate for entities taxing Improvement Area #1 rises or the estimated buildout value of lots in each Improvement Area located in Improvement Area #1 falls prior to the filing of a plat for the applicable Improvement Area in Improvement Area #1, a mandatory prepayment of the Assessments could be triggered at the time of filing of the plat. Any mandatory prepayment of the Assessments related to the exceedance of the Maximum Assessment may trigger an optional redemption of the Bonds by the County. See “DESCRIPTION OF THE BONDS – Redemption Provisions.”

## Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Master Developer, the County, the County’s Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will be completed in accordance with the Master Developer’s expectations. The competitive position of the Master Developer in the sale of paper lots or of the Builder Pod Developers and 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. 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 be able to compete with the Development. A sample of competitive projects near the Development, as provided by the Master Developer, is below.

<u>Project Name</u>	<u># of Units</u>	<u>Proximity to District (Miles)</u>	<u>Developer/Builders</u>	<u>Prices</u>
Parks at Wilson Creek	2,164	5.33	Developer: Cambridge Company, Inc. Builders: Highland Homes, Perry Homes, Weekley Homes, Tradition Homes	\$425,000-\$625,000
Glen Crossing	349	4.70	Developer: Wynne Jackson, Inc.	\$337,500-\$405,000
Homestead at Ownsby Farms	372	2.59	Developer: Centurion American Development Builders: First Texas Homes, Megatel Homes III, LLV, Pulte Homes of Texas. L.P.	\$312,500-\$375,000
Cambridge Crossing	1,528	4.00	Developer: CA Custom Homes/ Cambridge Company. Inc. Builders: Highland Homes, Perry Homes, MHI (Plantation Homes), UnionMain Homes	\$425,000-\$629,000

### **Recent Changes in State Law Regarding Public Improvement Districts; Failure of Developer to Deliver Required Notice Pursuant to Texas Property Code May Affect Absorption Schedule and Provide for Prepayments Causing Partial Redemptions of Bonds**

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract or purchase and sale. If the Master Developer, the OPP Landowners, the Builder Pod Developers or other homebuilders within Improvement Area #1 of the District do not provide the required notice and prospective purchasers of property within Improvement Area #1 of the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney’s fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney’s fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property may be prepaid. In the event of such prepayment, a partial redemption of the Bonds could occur. See “DESCRIPTION OF THE BONDS – Redemption Provisions.” 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 however, if the Master Developer, the OPP Landowners, the Builder Pod Developers or other 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 form of notice to be provided to homebuyers is attached to the Service and Assessment Plan. See “APPENDIX B – Form of Service and Assessment Plan.”

## **Completion of Homes**

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

## **Absorption Rate**

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

## **Risks Related to Current 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 materials, causing many homebuilders and general contractors to experience budget overruns. If the construction costs associated with completing homes in Improvement Area #1 of the District are substantially higher than the estimated costs or if the homebuilders within Improvement Area #1 of the District are unable to access building materials in a timely manner, it may affect the ability of such homebuilders in Improvement Area #1 of the District to complete the construction of homes or pay the 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 Improvement Area #1 of the District.

## **Loss of Tax Exemption**

The Indenture contains covenants by the County 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 County in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the 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 Assessments and the ability of the County to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Assessments might not be paid in full.

## **Direct and Overlapping Indebtedness, Assessments and Taxes**

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

## **Depletion of Reserve Account of the Reserve Fund**

Failure of the owners of property within Improvement Area #1 of the District to pay the Assessments when due could result in the rapid, total depletion of the Reserve 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 provides 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 — Reserve Fund” herein.

## **Hazardous Substances**

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or “Superfund Act,” is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in Improvement Area #1 of the District be affected by a hazardous substance, the marketability and value of such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within Improvement Area #1 of the District does not take into account the possible liability of the Master Developer, the OPP Landowners, or the Builder Pod Developers for the remediation of a hazardous substance condition on the property in Improvement Area #1 of the District. The County has not independently verified, and is not aware, that the Master Developer, the OPP Landowners, or the Builder Pod Developers have such a current liability with respect to its property; however, it is possible that such liabilities do currently exist and that the County is not aware of them.

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

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

## **Exercise of Third-Party Property Rights**

As described herein under “THE DEVELOPMENT – Existing Mineral Rights, Easements and Other Third-Party Property Rights,” there are certain Third-Party Property Rights reservations located within the District and not owned by the Master Developer, the OPP Landowners, or the Builder Pod Developers. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of the County.

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

## **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.

## **Bondholders’ Remedies and Bankruptcy**

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and upon the written request of at least 25% of the owners of the Bonds then Outstanding and its receipt of indemnity satisfactory to it, 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 County’s obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within Improvement Area #1 of the District or sell property within Improvement Area #1 of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the County. In this regard, should the County file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the County to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See “BONDHOLDERS’ RISKS — Bankruptcy Limitation to Bondholders’ Rights” herein.

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

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

circumstances.” The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

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

### **No Acceleration**

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

### **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 County. The County is authorized under Texas law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The County may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the County decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the County would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the County is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under Texas 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 County’s debt. The County cannot predict a Bankruptcy Court’s treatment of the Bondholders’ creditor claim and whether a Bondholder would be repaid in full.

### **Tax-Exempt Status of the Bonds**

As further described in “TAX MATTERS” below, failure of the County to comply with the requirements of the Internal Revenue Code of 1986 (the “Code”) and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the 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 focused



certain of its audit efforts in the past on “developer-driven bond transactions,” including certain tax increment financings and certain assessment bond transactions. In some audits, the IRS has asserted that interest on such “developer-driven” obligations can be taxable, in certain circumstances. 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 County would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees, may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the 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 County 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 Master Developer, the OPP Landowners, and the Builder Pod 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 development projects comparable to that of the Development.

### **General Risks of Real Estate Investment and Development**

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

Furthermore, the operating revenues of the Master Developer may be materially adversely affected if specific conditions in the purchase contracts are not met. Contracts that the Master Developer or any Builder Pod Developer may have with individual homebuilders in the future are or could be subject to a myriad of contractual conditions and contingencies, all or some of which if not complied with, could precipitate a termination or winding up of such contractual arrangement for the sale of lots, causing such entities to possibly need to execute a different strategy for the development within the Development. As described herein, the Assessments are an imposition against the land only. Neither the Master Developer or the other OPP Landowners, the Builder Pod Developers, or any other subsequent landowner is a guarantor of the Assessments and the recourse for the failure of such parties or any other landowner to pay the Assessments is limited to the collection proceedings against the land as described herein.

The Development cannot be initiated or completed without the Master Developer and the Builder Pod Developers obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction 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 Master Developer and the Builder Pod 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 various current landowner entities and any subsequent owners to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within Improvement Area #1 in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

### **Availability of Utilities**

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

### **Dependence Upon Master Developer and Builder Pod Developers**

The Builder Pod Developers have the obligation for payment of the Assessments in the proportions shown under “ASSESSMENT PROCEDURES – Assessment Payer Concentration” after the closing under the TriPointe PSA. The ability of such parties to make full and timely payment of the Assessments will directly affect the ability of the County to meet its debt service obligations with respect to the Bonds. There can be no assurances given as to the financial ability of such parties to advance any funds to the County to supplement revenues from the Assessments if necessary, or as to whether such parties will advance such funds.

Moreover, the County will pay the Master Developer, or the Master Developer’s designee, from proceeds of the Major Improvement Area Bonds, when and if issued, for project costs actually incurred in developing and constructing the Major Improvements. See “THE DEVELOPMENT – Development Plan.” There can be no assurances given as to the financial ability of the Master Developer to complete such improvements. The County will pay each respective Builder Pod Developer in Improvement Area #1 (or their designee), from proceeds of the Bonds for project costs actually incurred in developing and constructing the Improvement Area #1 Projects. There can be no assurances given as to the financial ability of the Builder Pod Developers to complete such improvements.

The Builder Pod Developers will not guarantee or otherwise be obligated to pay debt service on the Bonds.

### **Potential Future Changes in State Law Regarding Public Improvement Districts**

During prior 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 Representatives 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 began on January 14, 2025. To date, no legislation has been introduced to act on such recommendations; however, it is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during the 89th Legislative Session or 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.

### **Agricultural Use Valuation and Redemption Rights**

The majority of the land within the District is currently entitled to valuation for ad valorem tax purposes based upon its agricultural use. Under Texas law, an owner of land that is entitled to an agricultural valuation has the right to redeem such property after a tax sale for a period of two years after the tax sale by paying to the tax sale purchaser a 25% premium, if redeemed during the first year, or a 50% premium, if redeemed during the second year, over the purchase price paid at the tax sale and certain qualifying costs incurred by the purchaser. Although Assessments are not considered a tax under Texas law, the PID Act provides that the lien for Assessments may be

enforced in the same manner as a lien for ad valorem taxes. This shared enforcement mechanism raises a possibility that the right to redeem agricultural valuation property may be available following a foreclosure of a lien for Assessments, though there is no indication in Texas law that such redemption rights would be available in such a case.

The Master Developer, the other OPP Landowners, and the Builder Pod Developers expect that the agricultural use valuations within Improvement Area #1 of the District will terminate in 2025.

### **Use of Appraisal**

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The 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 and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the Appraiser's forecasts for properties in 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 analysis, the 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 County's control, as well as 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 and date of the Appraisal.

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

### **Risk from Weather Events**

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

### **100-Year Flood Plain**

According to FEMA FIRM No. 48121C0290G, effective April 18, 2011, an approximately 96.23-acre portion of the property in the District is currently located in Zone A which corresponds to special flood hazard areas subject to inundation by the 100-year flood. Mandatory flood insurance purchase requirements apply in areas designated as Zone A. Approximately 37.61 acres of such flood plain land, approximately 6.76 acres of which are located on Tract 5, 1.75 acres of which are located on Tract 6, 0.13 acres of which are located on Tract 7, 8.99 acres of which are located on Tract 8, 3.90 acres of which are located on Tract 9, 5.87 acres of which are located on Tract 10, 2.53 acres of which are located on Tract 11, and 7.66 acres of which are located on Tract 12 are expected to be reclaimed for lot development. If such property is reclaimed and a letter of map revision obtained, such flood insurance requirements will not apply. The Master Developer has received a CLOMR for the portion of the flood plain acreage on Tracts 5, 6, 7, 8, 9, 10, 11 and 12, and expects to submit a request for a LOMR after completion of lot development. To the extent necessary, the Builder Pod Developers expect to submit for CLOMRs prior to lot development and LOMRs after completion of lot development. The remaining flood plain acreage in the District is expected to be dedicated to SRWCID No. 2 for use as open space.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the County, the Underwriter, or the Master Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such revisions may result in homes that are currently outside of the 100-year flood plain from being included in the 100-year flood plain in the future, or whether extreme flooding events may occur more often than assumed in creating the 100-year flood plain.

### **Judicial Foreclosures**

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

### **No Credit Rating**

The County 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.

### **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 of the District subject to the Assessments, existing real estate and financial market conditions and other factors.

## **TAX MATTERS**

### **Tax Exemption**

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

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the County made in a certificate dated the Closing Date pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the County with the provisions of the Indenture subsequent

to the issuance of the Bonds. The Indenture contains covenants by the County with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage “profits” from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

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

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

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

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

### **Tax Accounting Treatment of Discount and Premium on Certain Bonds**

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

taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

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

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

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

## **LEGAL MATTERS**

### **Legal Proceedings**

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

Norton Rose Fulbright US LLP serves as Bond Counsel to the County. Greenberg Traurig, 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 County will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the County. The County 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 County under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal thereof and interest thereon, are payable from and secured by a pledge of and lien on the 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 C —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 in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds", "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS" (except for the last paragraph under the subcaption "General"), "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings," "LEGAL MATTERS — Legal Opinions," "INVESTMENTS," "CONTINUING DISCLOSURE — The County," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and "APPENDIX A," and "APPENDIX C," and such firm is of the opinion that the information relating to the Bonds, the Bond Order, the Assessment Orders and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Order, the Assessment Orders 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 County**

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

#### **Litigation — The Master Developer**

At the time of delivery and payment for the Bonds, the Master Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Master Developer, threatened against or affecting the Master Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Master Developer or its members or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Order, the Service and Assessment Plan, the Construction, Funding, and Acquisition Agreements, the applicable PID Financing Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds.

## **Litigation — The Builder Pod Developers**

At the time of delivery and payment for the Bonds, each of the Builder Pod Developers will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Builder Pod Developers, threatened against or affecting the applicable Builder Pod Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the applicable Builder Pod Developer or its members or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Order, the Service and Assessment Plan, the applicable PID Financing Agreement, the Construction, Funding, and Acquisition Agreements, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds.

## **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 County or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the owners of the 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 bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

## **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 County would have been successful in obtaining an investment grade rating for the Bonds had application been made.

## **CONTINUING DISCLOSURE**

### **The County**

Pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”), the County, the Administrator and Willdan Financial Services (in such capacity, the “Dissemination Agent”) expect to enter into a Continuing Disclosure Agreement (the “County Disclosure Agreement”) 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 County Disclosure Agreement, certain financial information and operating data relating to the County (collectively, the “County Reports”). The specific nature of the information to be contained in the County Reports is set forth in “APPENDIX D-1 — Form of County Disclosure Agreement.” Under certain circumstances, the failure of the County to comply with its obligations under the County Disclosure Agreement 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 County Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The County has agreed to update information and to provide notices of certain specified events only as provided in the County Disclosure Agreement. The County has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed



to update any information that is provided in this Limited Offering Memorandum, except as provided in the County Disclosure Agreement. The County 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 County disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the County Disclosure Agreement or from any statement made pursuant to the County Disclosure Agreement.

### **The County's Compliance with Prior Undertakings**

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

### **The Master Developer**

The Master Developer, the Administrator, and the Dissemination Agent expects to enter into a Continuing Disclosure Agreement (the "Master Developer Disclosure Agreement") 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 Master Developer Disclosure Agreement, certain information regarding the Major Improvements and other improvements in the District to be constructed by the Master Developer (the "Master Developer Reports"). The specific nature of the information to be contained in the Master Developer Reports is set forth in "APPENDIX D-2 — Form of Master Developer Disclosure Agreement." Under certain circumstances, the failure of the Master Developer or the Administrator to comply with its obligations under the Master Developer Disclosure Agreement 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 Master Developer Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Master Developer Disclosure Agreement is a voluntary agreement made for the benefit of the holders of the Bonds and is not entered into pursuant to the Rule.

The Master Developer has agreed to provide (i) certain updated information to the 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 Master Developer Disclosure Agreement. The Master 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 Master Developer Disclosure Agreement. The Master 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 Master Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Master Developer Disclosure Agreement or from any statement made pursuant to the Master Developer Disclosure Agreement.

### **The Master Developer's Compliance with Prior Undertakings**

The Master Developer has not entered into any previous undertakings to provide continuing disclosure.

### **The Builder Pod Developers**

Each of the Builder Pod Developers except TriPointe expects to enter into a Continuing Disclosure Agreement (each, a "Builder Pod Developer Disclosure Agreement") with the Administrator, and the Dissemination Agent 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 Builder Pod Disclosure Agreement, certain information regarding their respective land in the District and certain improvements to be built by each Builder Pod Developer benefitting their respective land within the District (collectively, the "Builder Pod Developer Reports"). The specific nature of the information to be contained in the Builder Pod Reports is set forth in "APPENDIX D-3 — Form of Builder Pod Developer Disclosure Agreement." Under certain circumstances, the failure of Builder Pod Developers, as applicable, or the Administrator to comply with their respective obligations under a Builder Pod Developer Disclosure Agreement 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 a Builder Pod Developer Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Builder Pod

Developer Disclosure Agreements are voluntary agreements made for the benefit of the holders of the Bonds and are not entered into pursuant to the Rule.

Such Builder Pod Developers have agreed to provide (i) certain updated information to the 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 Builder Pod Developer Disclosure Agreement. The Builder Pod Developers have not agreed to provide other information that may be relevant or material to a complete presentation of their respective 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 Builder Pod Developer Disclosure Agreements. The Builder Pod Developers make 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 Builder Pod Developers each disclaim any contractual or tort liability for damages resulting in whole or in part from any breach of their respective Builder Pod Developer Disclosure Agreements or from any statement made pursuant to their respective Builder Pod Developer Disclosure Agreement.

It is expected that TriPointe will enter into a continuing disclosure agreement related to the first Improvement Area developed on its purchased land in the District upon the issuance of Future Improvement Area Bonds relating to the same.

### **The Builder Pod Developers' Compliance with Prior Undertakings**

The Builder Pod Developers have not entered into any previous undertakings to provide continuing disclosure.

## **UNDERWRITING**

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Bonds from the County at a purchase price of \$\_\_\_\_\_ (the par amount of the Bonds, less an underwriting discount of \$\_\_\_\_\_, which includes Underwriter's Counsel's fee 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 federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The County 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 INVESTMENT 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

County 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 County made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the 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 County invests its funds in investments authorized by Texas law in accordance with investment policies approved by the Commissioners Court. Both Texas law and the County's investment policies are subject to change.

Under Texas law, the County 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 unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the County selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the County selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the County appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under Securities and Exchange Commission Rule 15c3-3; (9) certificates of deposit and share certificates (i) issued by or through an institution that either has its main office or a branch office in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in the clauses (1) through (6) or in any other manner and amount provided by law for County deposits, or (ii) where (a) the funds are invested by the County through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the County as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the County; (b) the broker or the depository institution selected by the County arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the County; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the County appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the County with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the County, held in the County's name, and deposited at the time the investment is made with the County or with a third-party selected and approved by the County and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (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 (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the County, held in the County's name and deposited at the time the investment is made with the County or a third-party designated by the County; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that provide the County with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and comply with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The County may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The County may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the County retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the County must do so by order, ordinance, or resolution. The County is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Political subdivisions such as the County are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) of the first paragraph under this subcaption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than "A" or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (8) and (13) through (15) of the first paragraph under this subcaption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the County or a third-party designated by the County; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under Texas law, the County is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for County funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All County funds must be invested consistent with a formally adopted

“Investment Strategy Statement” that specifically addresses each fund’s investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, County 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 County shall submit an investment report detailing: (1) the investment position of the County, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset and fund type invested at the beginning and end of the reporting period by the type of asset and fund type invested, (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 County funds without express written authority from the Commissioners Court.

Under Texas law the County is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers’ with personal business relationships or relatives with firms seeking to sell securities to the County to disclose the relationship and file a statement with the Texas Ethics Commission and the Commissioners Court; (4) require the registered principal of firms seeking to sell securities to the County to: (a) receive and review the County’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the County and the business organization that are not authorized by the County’s investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the County’s entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the County’s investment policy; (6) provide specific investment training for the officers of the County; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity’s monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the County.

### **INFORMATION RELATING TO THE TRUSTEE**

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

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

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

### **Source of Certain Information**

The information contained in this Limited Offering Memorandum relating to the description of the Major Improvements, the Development and the Master Developer generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE – Development Plan and Plan of Finance," "THE DEVELOPMENT," "THE MASTER DEVELOPER, THE OPP LANDOWNERS AND THE BUILDER POD DEVELOPERS" (as it pertains to the Master Developer and the OPP Landowners), "ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN" (as it pertains to the Master Developer and the OPP Landowners), "BONDHOLDERS' RISKS" (only as it pertains to the Master Developer, the OPP Landowners, the Major Improvements and the Development), "LEGAL MATTERS — Litigation — The Master Developer," "CONTINUING DISCLOSURE – The Master Developer" and "– The Master Developer's Compliance with Prior Undertakings," and "APPENDIX F – Form of Construction, Funding, and Acquisition Agreement," has been provided by the Master Developer, and the Master Developer warrants and represents, solely with respect to information pertaining to the Master Developer, the Development and the Major Improvements that the information contained herein is true and correct and does not contain any untrue statement of 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 Master Developer will deliver a certificate to this effect to the County and the Underwriter.

The information contained in this Limited Offering Memorandum relating to the description of the Builder Pod Developers and the Improvement Area #1 Projects included in the sections captioned "PLAN OF FINANCE – Development Plan and Plan of Finance," "THE IMPROVEMENT AREA #1 PROJECTS," "THE DEVELOPMENT," "THE MASTER DEVELOPER, THE OPP LANDOWNERS AND THE BUILDER POD DEVELOPERS" (as it pertains to each Builder Pod Developer), "ACQUISITION OF PROPERTY IN THE DEVELOPMENT AND DEVELOPMENT FINANCING PLAN" (as it pertains to each Builder Pod Developer), "CONTINUING DISCLOSURE – The Builder Pod Developers" and "– The Builder Pod Developers' Compliance with Prior Undertakings" (as it pertains to each Builder Pod Developer), "BONDHOLDERS' RISKS" (only as it pertains to each Builder Pod Developer), has been provided by each respective Builder Pod Developer, and each of such entities respectively warrants and represents, solely with respect to information pertaining to each of such entities that the information contained herein is true and correct and does not contain any untrue statement of 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 Builder Pod Developers will deliver a certificate to this effect to the County and the Underwriter.

## **Experts**

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by the 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.

## **Updating of Limited Offering Memorandum**

If, subsequent to the date of the Limited Offering Memorandum, the County learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the County will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the County to so amend or supplement the Limited Offering Memorandum will terminate when the County delivers the Bonds to the Underwriter, unless the Underwriter notifies the County on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the County's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the County delivers the 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 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 HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COUNTY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

## **AUTHORIZATION AND APPROVAL**

In the Bond Order, the Commissioners Court is expected to approve the form and content of this preliminary Limited Offering Memorandum and authorize and ratify the use of this preliminary Limited Offering Memorandum by the Underwriter in connection with the marketing and sale of the Bonds and approve the form and content of the final Limited Offering Memorandum.

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**APPENDIX A**  
**FORM OF INDENTURE**

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INDENTURE OF TRUST

By and Between

DENTON COUNTY, TEXAS

and

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

DATED AS OF MARCH 1, 2025

SECURING

\$\_\_\_\_\_,\_\_\_\_\_,\_\_\_\_\_  
DENTON COUNTY, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)

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## INDENTURE OF TRUST

THIS INDENTURE, dated as of March 1, 2025 is by and between DENTON COUNTY, TEXAS (the "County"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, DALLAS, TEXAS, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted and filed with the County Clerk of the County (the "County Clerk") pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), requesting the creation of a public improvement district located within the County and within the extraterritorial jurisdiction of the City of Celina, Texas (the "City") to be known as the Green Meadows Public Improvement District (the "District"); and

WHEREAS, the petition contained the signature of the owners of taxable property representing more than 50% of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Denton Central Appraisal District, and the signature of the property 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 November 19, 2024, after due notice, the Denton County Commissioners Court (the "Commissioners Court") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on November 19, 2024, the Commissioners Court made the findings required by Section 372.009(b) of the PID Act and, by a resolution adopted by a majority of the members of the Commissioners Court, authorized the District in accordance with its findings as to the advisability of the improvement projects and services and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on November 21, 2024, the County Clerk filed a copy of the resolution with the county clerk of Denton County, in which all of the District is located in accordance with the provisions of the PID Act; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the County Clerk within 20 days after November 19, 2024; and

WHEREAS, the District is within the extraterritorial jurisdiction of the City, and no objection was made by the City to the establishment of the District within 30 days of the County's action to approve the District; and

WHEREAS, on February 11, 2025, the Commissioners Court made findings and determinations by an resolution relating to the Actual Costs of certain Improvement Area #1 Projects, received and accepted a preliminary service and assessment plan and proposed assessment rolls, called public hearings for March 11, 2025 and directed County staff to (i) file said proposed assessment rolls with the County Clerk and to make them available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail such notice relating to the March 11, 2025 hearings as required by Section 372.016(b) of the PID Act; and

WHEREAS, on February 14, 2025, the Commissioners Court, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearings in the *Denton-Record Chronicle*, a newspaper of general circulation in the County and the extraterritorial jurisdiction of the City, to consider the proposed Service and Assessment Plan, the Assessment Rolls and the levy of the Improvement Area G1A Assessments, Improvement Area G1B Assessments, Improvement Area K1 Assessments, and Improvement Area P1 Assessments (collectively, the “Assessments”) on property within Improvement Area #1 of the District; and

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

WHEREAS, the Commissioners Court opened and convened the hearing related to the Improvement Area G1A Assessments on March 11, 2025 and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Improvement Area G1A Assessment Roll and the proposed Improvement Area G1A Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area G1A Assessments, the allocation of estimated costs of the Improvement Area G1A Local Projects, the purposes of the Improvement Area G1A Assessments, the special benefits of the Improvement Area G1A Local Projects, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Improvement Area G1A Assessments, and there were no written objections or evidence submitted to the County Clerk in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Improvement Area G1A Local Projects, the Improvement Area G1A Assessment Roll, and the levy of the Improvement Area G1A Assessments; and

WHEREAS, the Commissioners Court closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the County, the Commissioners Court found and determined that the Improvement Area G1A Assessments should be levied as provided in the Service and Assessment Plan and the County approved the Improvement Area G1A Assessment Order which levied the Improvement Area G1A Assessments and approved the Service and Assessment Plan, in conformity with the requirements of the PID Act; and

WHEREAS, the Commissioners Court opened and convened the hearing related to the Improvement Area G1B Assessments on March 11, 2025 and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Improvement Area G1B Assessment Roll and the proposed Improvement Area G1B Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area G1B Assessments, the allocation of estimated costs of the Improvement Area G1B Local Projects, the purposes of the Improvement Area G1B Assessments, the special benefits of the Improvement Area G1B Local Projects, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Improvement Area G1B Assessments, and there were no written objections or evidence submitted to the County Clerk in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Improvement Area G1B Local Projects, the Improvement Area G1B Assessment Roll, and the levy of the Improvement Area G1B Assessments; and



WHEREAS, the Commissioners Court closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the County, the Commissioners Court found and determined that the Improvement Area G1B Assessments should be levied as provided in the Service and Assessment Plan and the County approved the Improvement Area G1B Assessment Order which levied the Improvement Area G1B Assessments and approved the Service and Assessment Plan, in conformity with the requirements of the PID Act; and

WHEREAS, the Commissioners Court opened and convened the hearing related to the Improvement Area K1 Assessments on March 11, 2025 and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Improvement Area K1 Assessment Roll and the proposed Improvement Area K1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area K1 Assessments, the allocation of estimated costs of the Improvement Area K1 Local Projects, the purposes of the Improvement Area K1 Assessments, the special benefits of the Improvement Area K1 Local Projects, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Improvement Area K1 Assessments, and there were no written objections or evidence submitted to the County Clerk in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Improvement Area K1 Local Projects, the Improvement Area K1 Assessment Roll, and the levy of the Improvement Area K1 Assessments; and

WHEREAS, the Commissioners Court closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the County, the Commissioners Court found and determined that the Improvement Area K1 Assessments should be levied as provided in the Service and Assessment Plan and the County approved the Improvement Area K1 Assessment Order which levied the Improvement Area K1 Assessments and approved the Service and Assessment Plan, in conformity with the requirements of the PID Act; and

WHEREAS, the Commissioners Court opened and convened the hearing related to the Improvement Area P1 Assessments on March 11, 2025 and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Improvement Area P1 Assessment Roll and the proposed Improvement Area P1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area P1 Assessments, the allocation of estimated costs of the Improvement Area P1 Local Projects, the purposes of the Improvement Area P1 Assessments, the special benefits of the Improvement Area P1 Local Projects, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Improvement Area P1 Assessments, and there were no written objections or evidence submitted to the County Clerk in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Improvement Area P1 Local Projects, the Improvement Area P1 Assessment Roll, and the levy of the Improvement Area P1 Assessments; and

WHEREAS, the Commissioners Court closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the County, the Commissioners Court found and determined that the Improvement Area P1 Assessments should be levied as provided in the Service and Assessment Plan and the County approved the Improvement Area P1 Assessment Order which levied the

Improvement Area P1 Assessments and approved the Service and Assessment Plan, in conformity with the requirements of the PID Act; and

WHEREAS, the County Clerk filed copies of each of the Assessment Orders and the Service and Assessment Plan as an exhibit to each of the Assessment Orders, not later than the seventh day after the date the Commissioners Court approved each of the Assessment Orders and the Service and Assessment Plan with the County Clerk of Denton County; and

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

WHEREAS, the Commissioners Court now desires to issue revenue bonds, in accordance with the PID Act, such Bonds to be entitled the "Denton County, Texas, Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project)", such Bonds being payable solely from the Trust Estate and for the purposes set forth in the preamble of this Indenture; and

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

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

## ARTICLE I

### DEFINITIONS, FINDINGS AND INTERPRETATION

#### Section 1.1. Definitions.

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

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

"Actual Costs" means with respect to the Improvement Area #1 Projects, the actual costs paid or incurred by or on behalf of the Developers, including the following: (1) the costs incurred by the Developers, or on behalf of the Developers (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Improvement Area #1 Projects; (2) the fees paid for obtaining permits, licenses or other governmental approvals for such Improvement Area #1 Projects; (3) the costs incurred by or on behalf of the Developers for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services; (4) all labor, bonds and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction or implementation of the Improvement Area #1 Projects; (5) all related IA #1 Indenture of Trust

permitting and public approvals expenses, architectural, engineering, legal and consulting fees, and governmental fees and charges; and (6) costs to implement, administer and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of the construction costs if managed by or on behalf of the Developers.

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

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

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

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

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

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

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

“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 County; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to the Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming the Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with the Service and Assessment Plan and the PID Act with respect to the issuance and sale of the Bonds, including continuing disclosure requirements; and (8) the Paying Agent/Registrar and Trustee in connection with the Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

“Annual Installment” means, with respect to each Assessed Parcel, each annual payment of the Assessment levied against such Assessed Parcel (including both principal of and interest

on the Assessments) and with respect to the (i) Improvement Area G1A Assessments, as shown on the Improvement Area G1A Assessment Roll attached to the Service and Assessment Plan as Exhibit F-1 and related to the Improvement Area G1A Local Projects and as summarized on Exhibit F-2 of the Service and Assessment Plan, (ii) Improvement Area G1B Assessments, as shown on the Improvement Area G1B Assessment Roll attached to the Service and Assessment Plan as Exhibit F-3 and related to the Improvement Area G1A Local Projects and as summarized on Exhibit F-4 of the Service and Assessment Plan, (iii) Improvement Area K1 Assessments, as shown on the Improvement Area K1 Assessment Roll attached to the Service and Assessment Plan as Exhibit F-5 and related to the Improvement Area K1 Local Projects and as summarized on Exhibit F-6 of the Service and Assessment Plan, and (iv) Improvement Area P1 Assessment Roll attached to the Service and Assessment Plan as Exhibit F-7 and related to the Improvement Area P1 Local Projects and as summarized on Exhibit F-8 of the Service and Assessment Plan; which annual payments include the applicable Annual Collection Costs and the Additional Interest collected on each respective annual payment of the Assessments as described in Section 6.7 herein and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

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

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

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

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

“Assessment Orders” means, collectively, (i) the Improvement Area G1A Assessment Order, (ii) the Improvement Area G1B Assessment Order, (iii) the Improvement Area K1 Assessment Order, and (iv) the Improvement Area P1 Assessment Order.

“Assessments” means, collectively, the Improvement Area G1A Assessments, the Improvement Area G1B Assessments, the Improvement Area K1 Assessments and the Improvement Area P1 Assessments as shown on the respective Assessment Rolls. The singular of such term means the assessment levied against an Assessed Parcel, subject to reallocation upon the subdivision of an Assessed Parcel, or consolidation of multiple Assessed Parcels, or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

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

“Authorized Denomination” means \$100,000 and any integral multiple of \$1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Bond is less than

\$100,000, then the Authorized Denomination of such Outstanding Bond shall be the amount of such Outstanding Bond.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, including, but not limited to, the Improvement Area #1 Projects, District Formation Costs, First Year Annual Collection Costs, and Bond Issuance Costs, listed in Section IV of the Service and Assessment Plan.

“Bond” means any of the Bonds.

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

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

“Bond Issuance Costs” means the costs associated with issuing the Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, County 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 Order” means the Order adopted by the Commissioners Court on March 11, 2025, authorizing the issuance of the Bonds pursuant to this Indenture.

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

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

“Bond Year” means the one-year period beginning on December 31 in each year and ending on December 30 in the following year.

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

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

“Certification for Payment” means a certificate substantially in the form of Exhibit B to the applicable Construction, Funding, and Acquisition Agreement or otherwise approved by the requesting Developer and a County Representative executed by a Person approved by a County Representative, delivered to a County Representative and the Trustee specifying the amount of work performed related to the Improvement Area #1 Projects and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in an Account of the Project

Fund as further described in the applicable Construction, Funding, and Acquisition Agreement and Section 6.5 herein.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

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

“Construction, Funding, and Acquisition Agreements” means, collectively, the G1A Construction, Funding, and Acquisitions Agreement, the G1B Construction, Funding, and Acquisitions Agreement, the K1 Construction, Funding, and Acquisition Agreement, and the P1 Construction, Funding, and Acquisition Agreement..

“G1A Construction, Funding, and Acquisition Agreement” means the “Green Meadows Public Improvement District Improvement Area G1A Construction, Funding, and Acquisition Agreement” by and between the County and the Zone G Developer dated as of March 11, 2025, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of the Improvement Area G1A Local Projects within the District, the issuance of Bonds, and other matters related thereto.

“G1B Construction, Funding, and Acquisition Agreement” means the “Green Meadows Public Improvement District Improvement Area G1B Construction, Funding, and Acquisition Agreement” by and between the County and the Zone G Developer dated as of March 11, 2025, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Improvement Area G1B Local Projects within the District, the issuance of Bonds, and other matters related thereto.

“K1 Construction, Funding, and Acquisition Agreement” means the “Green Meadows Public Improvement District Improvement Area K1 Construction, Funding, and Acquisition Agreement” by and between the County and the Zone K Developer dated as of March 11, 2025, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Improvement Area K1 Local Projects within the District, the issuance of Bonds, and other matters related thereto.

“P1 Construction, Funding, and Acquisition Agreement” means the “Green Meadows Public Improvement District Improvement Area P1 Construction, Funding, and Acquisition Agreement” by and between the County and the Zone P Developer dated as of March 11, 2025, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Improvement Area P1 Local Projects within the District, the issuance of Bonds, and other matters related thereto.

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

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

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

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

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

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

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

“Developers” means, collectively the Zone G Developer, the Zone K Developer, the Zone P Developer, and any successors or assigns thereof that intend to develop any portion of the property in the District for the ultimate purpose of transferring title to end users. When used singularly, such term means each entity individually, as appropriate.

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

“District Formation Costs” means the costs associated with forming the District, including attorney fees and any other cost or expense incurred by the County or the Developers or the Owners directly associated with the establishment of the District.

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

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

“Event of Default” shall have the meaning assigned to such term in Section 11.1 hereof.

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

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

“Improvement Area #1” means, collectively, Improvement Area G1A, Improvement Area G1B, Improvement Area K1 and Improvement Area P1, as depicted on Exhibits A-4, A-5, A-6, and A-7 of the Service and Assessment Plan and as identified on Exhibits K-2, K-3, K-4, and K-5 in the Service and Assessment Plan, respectively.

“Improvement Area #1 Projects” means, collectively, the Improvement Area G1A Local Projects, the Improvement Area G1B Local Projects, the Improvement Area K1 Local Projects and the Improvement Area P1 Local Projects.

“Improvement Area G1A” means a portion of the property within the District, as further depicted and identified in Exhibits A-4 and K-2 in the Service and Assessment Plan.

“Improvement Area G1A Assessments” means the aggregate assessments shown on the Improvement Area G1A Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel within Improvement Area G1A of the District, as shown on the Improvement Area G1A Assessment Roll, and is subject to reallocation upon the subdivision of such Assessed Parcel located within Improvement Area G1A of the District or reduction according to the provisions of the Service and Assessment Plan and in the PID Act.

“Improvement Area G1A Assessment Order” means the order adopted by the Commissioners Court on March 11, 2025, which levied the Improvement Area G1A Assessments on the Assessed Property located within Improvement Area G1A of the District.

“Improvement Area G1A Assessment Roll” means, the assessment roll attached as Exhibit F-1 to the Service and Assessment Plan or any other assessment roll for Improvement Area G1A of the District in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area G1A Assessment against each Assessed Parcel within Improvement Area G1A of the District related to the Bonds and the Improvement Area G1A Local Projects, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

“Improvement Area G1A Local Improvements” means the Authorized Improvements which only benefit the Assessed Property within Improvement Area G1A of the District, as described in Section IV.E of the Service and Assessment Plan.

“Improvement Area G1A Local Projects” means, collectively, (i) the pro rata portion of the Zone G Improvements allocable to Improvement Area G1A and (ii) the Improvement Area G1A Local Improvements.

“Improvement Area G1A Local Projects Account” means the Account of such name established pursuant to Section 6.1.

“Improvement Area G1B” means a portion of the property within the District, as further depicted and identified in Exhibits A-5 and K-3 in the Service and Assessment Plan.

“Improvement Area G1B Assessments” means the aggregate assessments shown on the Improvement Area G1B Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel within Improvement Area G1B of the District, as shown on the Improvement Area G1B Assessment Roll, and is subject to reallocation upon the subdivision of



such Assessed Parcel located within Improvement Area G1B of the District or reduction according to the provisions of the Service and Assessment Plan and in the PID Act.

“Improvement Area G1B Assessment Order” means the order adopted by the Commissioners Court on March 11, 2025, which levied the Improvement Area G1B Assessments on the Assessed Property located within Improvement Area G1B of the District.

“Improvement Area G1B Assessment Roll” means, the assessment roll attached as Exhibit F-3 to the Service and Assessment Plan or any other assessment roll for Improvement Area G1B of the District in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area G1B Assessment against each Assessed Parcel within Improvement Area G1B of the District related to the Bonds and the Improvement Area G1B Local Projects, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

“Improvement Area G1B Local Improvements” means the Authorized Improvements which only benefit the Assessed Property within Improvement Area G1B of the District, as described in Section IV.F of the Service and Assessment Plan.

“Improvement Area G1B Local Projects” means, collectively, (i) the pro rata portion of the Zone G Improvements allocable to Improvement Area G1B and (ii) the Improvement Area G1B Local Improvements.

“Improvement Area G1B Local Projects Account” means the Account of such name established pursuant to Section 6.1.

“Improvement Area K1” means a portion of the property within the District, as further depicted and identified in Exhibits A-6 and K-4 in the Service and Assessment Plan.

“Improvement Area K1 Assessments” means the aggregate assessments shown on the Improvement Area K1 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel within Improvement Area K1 of the District, as shown on the Improvement Area K1 Assessment Roll, and is subject to reallocation upon the subdivision of such Assessed Parcel located within Improvement Area K1 of the District or reduction according to the provisions of the Service and Assessment Plan and in the PID Act.

“Improvement Area K1 Assessment Order” means the order adopted by the Commissioners Court on March 11, 2025, which levied the Improvement Area K1 Assessments on the Assessed Property located within Improvement Area K1 of the District.

“Improvement Area K1 Assessment Roll” means, the assessment roll attached as Exhibit F-5 to the Service and Assessment Plan or any other assessment roll for Improvement Area K1 of the District in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area K1 Assessment against each Assessed Parcel within Improvement Area K1 of the District related to the Bonds and the Improvement Area K1 Local Projects, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

“Improvement Area K1 Local Improvements” means the Authorized Improvements which only benefit the Assessed Property within Improvement Area K1 of the District, as described in Section IV.G of the Service and Assessment Plan.

“Improvement Area K1 Local Projects” means, collectively, (i) the pro rata portion of the Zone K Improvements allocable to Improvement Area K1 and (ii) the Improvement Area K1 Local Improvements.

“Improvement Area K1 Local Projects Account” means the Account of such name established pursuant to Section 6.1.

“Improvement Area P1” means a portion of the property within the District, as further depicted and identified in Exhibits A-7 and K-5 in the Service and Assessment Plan.

“Improvement Area P1 Assessments” means the aggregate assessments shown on the Improvement Area P1 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel within Improvement Area P1 of the District, as shown on the Improvement Area P1 Assessment Roll, and is subject to reallocation upon the subdivision of such Assessed Parcel located within Improvement Area P1 of the District or reduction according to the provisions of the Service and Assessment Plan and in the PID Act.

“Improvement Area P1 Assessment Order” means the order adopted by the Commissioners Court on March 11, 2025, which levied the Improvement Area P1 Assessments on the Assessed Property located within Improvement Area P1 of the District.

“Improvement Area P1 Assessment Roll” means, the assessment roll attached as Exhibit F-7 to the Service and Assessment Plan or any other assessment roll for Improvement Area P1 of the District in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area P1 Assessment against each Assessed Parcel within Improvement Area P1 of the District related to the Bonds and the Improvement Area P1 Local Projects, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

“Improvement Area P1 Local Improvements” means the Authorized Improvements which only benefit the Assessed Property within Improvement Area P1 of the District, as described in Section IV.H of the Service and Assessment Plan.

“Improvement Area P1 Local Projects” means, collectively, (i) the pro rata portion of the Zone P Improvements allocable to Improvement Area P1 and (ii) the Improvement Area P1 Local Improvements.

“Improvement Area P1 Local Projects Account” means the Account of such name established pursuant to Section 6.1.

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

“Independent Financial Consultant” means any consultant or firm of such consultants appointed by the County who, or each of whom: (i) is judged by the County, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in IA #1 Indenture of Trust

fact independent and not under the domain of the County; (iii) does not have any substantial interest, direct or indirect, with or in the County, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the County as an officer or employee of the County, but who may be regularly retained to make reports to the County.

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

“Interest Payment Date” means the date or dates upon which interest on any series of Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on June 30 and December 31 of each year and commencing June 30, 2025.

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

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

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

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

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

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

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

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

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

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

“Pledged Revenues” means the sum of (i) Assessment Revenue less the Annual Collection Costs and (ii) any additional revenues that the County may pledge to the payment of Bonds.

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

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

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

“Purchaser” means the initial purchaser of the Bonds.

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

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

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

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

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

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

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

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

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

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

“Service and Assessment Plan” means the “Green Meadows Public Improvement District Service and Assessment Plan” dated March 11, 2025, including the Assessment Rolls, as hereinafter amended, updated, and/or restated by an Annual Service Plan Update or otherwise.

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

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

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

“Supplemental Indenture” means an indenture which has been duly executed by the Trustee and the County Representative pursuant to an order adopted by the Commissioners Court and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

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

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

“Trustee” means U.S. Bank Trust Company, 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.

“Zone G” means the area depicted on Exhibit A-3, and which receives a special benefit from the Zone G Improvements.

“Zone G Developer” means Grand Oaks Residential Development, LLC, a Texas limited liability company, and any successors or assigns thereof that intend to develop any portion of Zone G in the District for the purpose of transferring title to end users.

“Zone G Improvements” means Authorized Improvements that confer a special benefit to the assessed property within Zone G of the District, including both Improvement Area G1A and Improvement Area G1B as well as additional property to be developed in the future within Zone G, as further described in Section IV.B of the Service and Assessment Plan.

“Zone K” means the area depicted on Exhibit A-2, and which receives a special benefit from the Zone K Improvements.

“Zone K Developer” means K. Hovnanian Homes – DFW, L.L.C., a Texas limited liability company, and any successors or assigns thereof that intend to develop any portion of Zone K in the District for the purpose of transferring title to end users.

“Zone K Improvements” means Authorized Improvements that confer a special benefit to the assessed property within Zone K of the District, including both Improvement Area K1 and additional property to be developed in the future within Zone K, as further described in Section IV.C of the Service and Assessment Plan.

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"Zone P" means the area depicted on Exhibit A-2, and which receives a special benefit from the Zone P Improvements.

"Zone P Developer" means PH Land Holdings, LLC, a Texas limited liability company, and any successors or assigns thereof that intend to develop any portion of Zone P in the District for the purpose of transferring title to end users.

"Zone P Improvements" means Authorized Improvements that confer a special benefit to the assessed property within Zone P of the District, including both Improvement Area P1 and additional property to be developed in the future within Zone P, as further described in Section IV.D of the Service and Assessment Plan.

Section 1.2. Findings.

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

Section 1.3. Table of Contents, Titles and Headings.

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

Section 1.4. Interpretation.

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

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

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

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

## ARTICLE II

### THE BONDS

Section 2.1. Granting Clauses

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

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

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

(b) The Trustee shall have and hold the Trust Estate, whether now owned or hereafter acquired or received by the Trustee and its successors or assigns, in trust upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture. Provided, however, if the County or its assigns shall well and truly pay, or cause to be paid, the principal or redemption price of and the interest on all the Bonds at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and shall remain in full force and effect.

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

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

Section 2.2. Security for the Bonds.

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

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

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

Section 2.3. Limited Bonds.

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

Section 2.4. Authorization for Indenture.

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

Section 2.5. Contract with Owners and Trustee.

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$\_\_\_\_\_ for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying the District Formation Costs allocable to Improvement Area #1; and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Improvement Area #1 Projects, and other costs relating to the issuance of the Bonds.

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

(a) The Bonds shall be dated March 31, 2025 and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Closing Date 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 June 30 and December 31 of each year, commencing June 30, 2025 computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on December 31 in the years and in the principal amounts and shall bear interest as set forth below:

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

Section 3.3. Conditions Precedent to Delivery of Bonds.

(a) The Bonds shall be executed by the County 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 County, but only upon delivery (which delivery may be via electronic mail in portable document (PDF) or similar format) to the Trustee of:

- (i) certified copies of the Assessment Orders;
- (ii) a certified copy of the Bond Order;
- (iii) copies of the executed Construction, Funding, and Acquisition Agreements;
- (iv) a copy of this Indenture executed by the Trustee and the County; and
- (v) a County 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 County.

Section 3.4. Medium, Method and Place of Payment.

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

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

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

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

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

Section 3.5. Execution and Registration of Bonds.

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

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

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

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser or its designee, executed with the manual or facsimile signatures of the County Judge of the County and the County Clerk, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or its designee. Upon payment for such Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser of such Bonds 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 County, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the relevant Record Date) and for all other purposes, whether or not such Bond is overdue, and neither the County nor the Trustee, nor the Paying Agent/Registrar, shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond shall be valid and effectual and shall discharge the liability of the County, 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 County shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will, file and maintain a copy of the Register with the County, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

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

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

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

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

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

Section 3.8. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and IA #1 Indenture of Trust

delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds in accordance with the records retention requirements of the Trustee.

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 County may execute and, upon the County's request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the County 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 County, 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 County or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

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

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

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

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

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

(c) After the delivery of such replacement Bond, 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 County 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 County, the Paying Agent/Registrar or the Trustee in connection therewith.

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

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

#### Section 3.11. Book-Entry Only System.

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

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the County and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the County and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (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 County 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 such Bond, 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 County's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the County to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the words "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 County determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the County to DTC, the County shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, 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 County to DTC.

## ARTICLE IV

### REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the County in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to





accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

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

Section 4.3. Optional Redemption.

The County reserves the right and option to redeem Bonds maturing on or after December 31, 20\_\_, in whole or in part, on any date on or after December 31, 20\_\_, such redemption date or dates to be fixed by the County, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

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

Section 4.5. Partial Redemption.

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

(b) In selecting the Bonds to be redeemed pursuant to Section 4.2, the Trustee shall conduct a selection of Bonds in a random by lot selection process.

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

(d) If less than all the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds or portion of a Bond, as applicable, to be redeemed shall be selected in the following manner:

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

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

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

Section 4.6. Notice of Redemption to Owners.

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

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

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

(d) The County has the right to rescind any optional redemption or extraordinary optional redemption described in Sections 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.

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

Section 4.7. Payment Upon Redemption.

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

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

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. CUSIP Registration.

The County may secure identification numbers through the CUSIP Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof; and none of the County, the Trustee, nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 5.3. Legal Opinion.

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

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

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund; and
- (vii) Administrative Fund.

(b) Creation of Accounts.

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

- (A) Bond Pledged Revenue Account.

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

- (A) Capitalized Interest Account; and
- (B) Principal and Interest Account.

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

- (A) Improvement Area G1A Local Projects Account;
- (B) Improvement Area G1B Local Projects Account;
- (C) Improvement Area K1 Local Projects Account;
- (D) Improvement Area P1 Local Projects Account; and
- (E) Costs of Issuance Account.

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

- (A) Reserve Account; and
- (B) Additional Interest Reserve Account.

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

(A) District Administration Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the County. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds.

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

Section 6.2. Initial Deposits to Funds and Accounts.

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

- (i) to the Capitalized Interest Account of the Bond Fund: \$\_\_\_\_\_;
- (ii) to the Improvement Area G1A Local Projects Account of the Project Fund: \$\_\_\_\_\_;
- (iii) to the Improvement Area G1B Local Projects Account of the Project Fund: \$\_\_\_\_\_;
- (iv) to the Improvement Area K1 Local Projects Account of the Project Fund: \$\_\_\_\_\_;
- (v) to the Improvement Area P1 Local Projects Account of the Project Fund: \$\_\_\_\_\_;
- (vi) to the Costs of Issuance Account of the Project Fund: \$\_\_\_\_\_;
- (vii) to the Reserve Account of the Reserve Fund: \$\_\_\_\_\_; and
- (viii) to the District Administration Account of the Administrative Fund: \$\_\_\_\_\_.

Section 6.3. Pledged Revenue Fund.

(a) On or before March 1 of each year while the Bonds are Outstanding and beginning March 1, 2026, the County shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the County shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with Section 6.7(a) hereof, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with Section 6.7(b) hereof, (iv) fourth, to pay Actual Costs

of the related Improvement Area #1 Projects, and (v) fifth, to pay other costs permitted by the PID Act.

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

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first, to the payment of interest and, second, to the payment of principal (including any Sinking Fund Installments) on the Bonds, as described in Section 11.4(a) hereof.

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

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

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

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

#### Section 6.4. Bond Fund.

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

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in Section 6.7(f) hereof. Amounts

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so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

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

<u>Date</u>	<u>Amount (\$)</u>
June 30, 20__	_____
December 31, 20__	_____
June 30, 20__	_____

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to either the Improvement Area G1A Local Projects Account of the Project Fund, the Improvement Area G1B Local Projects Account of the Project Fund, the Improvement Area K1 Local Projects Account of the Project Fund, and/or the Improvement Area P1 Local Projects Account of the Projects Fund, pursuant to instructions included in one or more County Certificates, or if the Improvement Area G1A Local Projects Account of the Project Fund, the Improvement Area G1B Local Projects Account of the Project Fund, the Improvement Area K1 Local Projects Account of the Project Fund, and the Improvement Area P1 Local Projects Account of the Projects Fund have been closed as provided herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

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

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

(c) Disbursements from the Improvement Area G1A Local Projects Account of the Project Fund to pay Actual Costs of the Improvement Area G1A Local Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the County or its designee approving the disbursement to the Zone G Developer or the Zone G Developer’s designee. The disbursement of funds from the Improvement Area G1A Local Projects Account pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the G1A Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursements contained in the G1A Construction, Funding, and Acquisition Agreement, are herein incorporated by reference and deemed set forth herein in full. The Trustee shall be permitted to rely fully on any Certification for Payment, County Certificate, or other written direction received pursuant to this section of the Indenture without investigation.

(d) Disbursements from the Improvement Area G1B Local Projects Account of the Project Fund to pay Actual Costs of the Improvement Area G1B Local Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the County or its designee approving the disbursement to the Zone G Developer or the Zone G Developer’s designee. The disbursement of funds from IA #1 Indenture of Trust

the Improvement Area G1B Local Projects Account pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the G1B Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursements contained in the G1B Construction, Funding, and Acquisition Agreement, are herein incorporated by reference and deemed set forth herein in full. The Trustee shall be permitted to rely fully on any Certification for Payment, County Certificate, or other written direction received pursuant to this section of the Indenture without investigation.

(e) Disbursements from the Improvement Area K1 Local Projects Account of the Project Fund to pay Actual Costs of the Improvement Area K1 Local Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the County or its designee approving the disbursement to the Zone K Developer or the Zone K Developer's designee. The disbursement of funds from the Improvement Area K1 Local Projects Account pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the K1 Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursements contained in the K1 Construction, Funding, and Acquisition Agreement, are herein incorporated by reference and deemed set forth herein in full. The Trustee shall be permitted to rely fully on any Certification for Payment, County Certificate, or other written direction received pursuant to this section of the Indenture without investigation.

(f) Disbursements from the Improvement Area P1 Local Projects Account of the Project Fund to pay Actual Costs of the Improvement Area P1 Local Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the County or its designee approving the disbursement to the Zone P Developer or the Zone P Developer's designee. The disbursement of funds from the Improvement Area P1 Local Projects Account pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the P1 Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursements contained in the P1 Construction, Funding, and Acquisition Agreement, are herein incorporated by reference and deemed set forth herein in full. The Trustee shall be permitted to rely fully on any Certification for Payment, County Certificate, or other written direction received pursuant to this section of the Indenture without investigation.

(g) If the County Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area G1A Local Projects Account of the Project Fund, the Improvement Area G1B Local Projects Account of the Project Fund, the Improvement Area K1 Local Projects Account of the Project Fund or the Improvement Area P1 Local Projects Account of the Project Fund are not expected to be expended for purposes of such Account due to the abandonment, or constructive abandonment, of the Improvement Area G1A Local Projects, the Improvement Area G1B Local Projects, the Improvement Area K1 Local Projects, or the Improvement Area P1 Local Projects, as applicable, such that, in the opinion of the County Representative, it is unlikely that the amounts in the Improvement Area G1A Local Projects Account of the Project Fund, the Improvement Area G1B Local Projects Account of the Project Fund, the Improvement Area K1 Local Projects Account of the Project Fund or the Improvement Area P1 Local Projects Account of the Project Fund will ever be expended for the purposes of such Account, the County Representative shall file a County Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area G1A Local Projects Account of the Project Fund, the Improvement Area G1B Local Projects Account of the Project Fund, the Improvement Area K1 Local Projects Account of the Project Fund and/or the Improvement Area



P1 Local Projects Account of the Project Fund that are not expected to be used for purposes of such Account. If such County Certificate is so filed, the amounts identified in the County Certificate on deposit in the Improvement Area G1A Local Projects Account of the Project Fund, the Improvement Area G1B Local Projects Account of the Project Fund, the Improvement Area K1 Local Projects Account of the Project Fund and/or the Improvement Area P1 Local Projects Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

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

(i) Upon the filing of a County Certificate stating that all Improvement Area G1A Local Projects have been completed and that all Actual Costs of the Improvement Area G1A Local Projects have been paid, or that any such Actual Costs of the Improvement Area G1A Local Projects are not required to be paid from the Improvement Area G1A Local Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the County or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area G1A Local Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 as directed by the County Representative in a County Certificate filed with the Trustee, and (ii) shall close the Improvement Area G1A Local Projects Account of the Project Fund. Upon the filing of a County Certificate stating that all Improvement Area G1B Local Projects have been completed and that all Actual Costs of the Improvement Area G1B Local Projects have been paid, or that any such Actual Costs of the Improvement Area G1B Local Projects are not required to be paid from the Improvement Area G1B Local Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the County or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area G1B Local Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 as directed by the County Representative in a County Certificate filed with the Trustee, and (ii) shall close the Improvement Area G1B Local Projects Account of the Project Fund. Upon the filing of a County Certificate stating that all Improvement Area K1 Local Projects have been completed and that all Actual Costs of the Improvement Area K1 Local Projects have been paid, or that any such Actual Costs of the Improvement Area K1 Local Projects are not required to be paid from the Improvement Area K1 Local Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the County or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area K1 Local Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 as directed by the County Representative in a County Certificate filed with the Trustee, and (ii) shall close the Improvement Area K1 Local Projects Account of the Project Fund. Upon the filing of a County Certificate stating that all Improvement Area P1 Local Projects have been completed and that all Actual Costs of the Improvement Area P1 Local Projects have been paid, or that any such Actual Costs of the Improvement Area P1 Local Projects are not required to be paid from the Improvement Area P1 Local Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the County or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area P1 Local Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 as directed by the County Representative in a County Certificate filed with the Trustee, and (ii) shall close the Improvement Area P1 Local Projects Account of the Project Fund. If the Improvement

Area G1A Local Projects Account, the Improvement Area G1B Local Projects Account, the Improvement Area K1 Local Projects Account, and the Improvement Area P1 Local Projects Account have been closed as provided above and the Costs of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(j), the Project Fund shall be closed.

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

Section 6.6. Redemption Fund.

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

Section 6.7. Reserve Fund.

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

(b) The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on June 30 and December 31 of each year, commencing June 30, 2026, an amount equal to the Additional Interest collected, if any, and as shown on the Assessment Rolls attached to the Service and Assessment Plan or an Annual Service Plan Update, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any later time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the County, in writing, of the amount of such shortfall, and the County shall resume collecting the Additional Interest and shall file a County Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the County shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional

Interest Reserve Account has been fully replenished to the Additional Interest Reserve Requirement. If, after such deposits, there is surplus Additional Interest remaining in excess of the Additional Interest Reserve Requirement, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the County of such transfer in writing. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Rolls in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a County Certificate directing that a different amount be used.

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

(d) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the County and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a County Certificate to be applied to the redemption of the Bonds as detailed in the County's written direction. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds to be redeemed, as identified in a County Certificate, as a result of such Prepayments and as a result of the transfer from the Reserve Account under this Section 6.7(d), the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of \$1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

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

(f) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first, from the Additional Interest Reserve Account of the Reserve Fund to the Bond Fund

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

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

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

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

Section 6.8. Rebate Fund: Rebate Amount.

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

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

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

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

Section 6.9. Administrative Fund.

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

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

Section 6.10. Investment of Funds.

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

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any County Certificate and to ensure that an investment it is directed to purchase is a permitted investment pursuant to the terms of this Indenture. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments.

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

(e) The Trustee will furnish the County and the Administrator, monthly cash transaction statements which include details for all investment transactions made by the Trustee hereunder; and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such online access.

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

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

Section 6.11. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

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

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding, and/or amounts are due to the Developers to pay each Developer for funds it has contributed to pay Actual Costs of the Improvement Area #1 Projects in accordance with the Construction, Funding and Acquisitions Agreements, the County covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

(b) The County will determine or cause to be determined, no later than March 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the County will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges

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and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the County shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Parcel. Furthermore, nothing shall obligate the County, the County Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the County and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds, the County shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, other than that specified in Section 9.6 of this Indenture, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, and except as set forth in Section 13.2 hereof, the County shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds and Refunding Bonds, if any, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, except for other indebtedness incurred in compliance with Section 13.2 hereof.

Section 7.4. Records, Accounts, Accounting Reports.

The County hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and Owners of any Bonds or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the County by the Trustee or duly authorized representative, as applicable. The County shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the County's regular business hours and on a mutually agreeable date not later than 30 days after the County receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

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

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

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

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

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

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced



directly or indirectly with such Gross Proceeds, other than taxes of general application within the County or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan.

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

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

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

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

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

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

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

separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

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

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the County shall, pursuant to a County Certificate, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such County Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, 100% of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, 90% of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

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

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

(j) Elections. The County hereby directs and authorizes County Judge, County Administrator, County Representative, County Clerk, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

## ARTICLE VIII

### LIABILITY OF COUNTY

The County shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The County shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The County shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or Event of Default thereunder.

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

No provision of this Indenture, the Bonds, the Assessment Orders, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (the "Bond Documents"), shall require the County to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Annual Collection Costs) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the County there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the County or any of its officers, officials, agents, or employees for damages suffered as a result of the County's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the County, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the County or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

The County may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The County may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture, the County shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the County, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or County Administrator or other person designated by the Commissioners Court to so act on behalf of the County, and such certificate shall be full warrant to the County for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the County may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

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

## ARTICLE IX

### THE TRUSTEE

#### Section 9.1. Trustee as Registrar and Paying Agent.

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

#### Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified, to the extent permitted by law, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; *provided, however*, the Trustee may not request or require indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Pledged Revenue Fund or the District Administration Account of the Administrative Fund to pay all costs, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Outstanding hereunder.

#### Section 9.3. Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the County and the Trustee assumes no responsibility for and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or the right, title or interest of the County therein, or with respect to the security afforded by this Indenture, or the technical or financial feasibility of IA #1 Indenture of Trust

the project, or the compliance of the project with the PID Act or the tax-exempt status of the Bonds, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the County or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; or (iv) any calculation of arbitrage or rebate under the Code. The Trustee has the right to act through agents and attorneys.

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

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

(d) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee is notified specifically of the default or Event of Default in a written instrument or document delivered to it by the County or by an Owner of the Bonds. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above, unless Trustee has actual knowledge of an Event of Default. Notwithstanding the foregoing or anything to the contrary contained herein, no notice to the Trustee shall be deemed given to or received by the Trustee unless actually delivered to an officer of the Trustee having responsibility under this Indenture.

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

Section 9.4. Property Held in Trust.

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

Section 9.5. Trustee Protected in Relying on Certain Documents.

The Trustee may rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture, that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not

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be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith.

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

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

Section 9.6.           Compensation.

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

Section 9.7.           Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the County or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority in aggregate outstanding principal amount of the Bonds.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the County and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least a majority of the aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the County, or (ii) so long as the County is not in default under this Indenture, the County. Copies of each such instrument shall be delivered by the County to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the County or the Owners of not less than 10% of the aggregate outstanding principal of the Bonds.

Section 9.10. Successor Trustee.

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

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 25% of the aggregate outstanding principal amount of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the County.

(c) Unless such successor Trustee shall have been appointed by the Owners of at least 25% of the aggregate outstanding principal amount of the Bonds, the County shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the County providing for any such appointment shall be delivered by the County to the Trustee so appointed. The County shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the County immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds, in accordance with the immediately preceding paragraph.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the IA #1 Indenture of Trust

appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the County shall be responsible for the costs of such appointment process.

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

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

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the County an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the County or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing, from the County be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the County.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, *provided* that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Trustee to File Continuation Statements.

If necessary, the Trustee shall file or cause to be filed, such continuation statements as are delivered to the Trustee by the County, or on behalf of the County, and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible

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personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC.

Section 9.14. Construction of Indenture.

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

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the County and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the County to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the County of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws and this Indenture), or reduce the percentage of Owners of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

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

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

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

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

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

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

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

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

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

Section 10.2. Owners' Meetings.

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

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

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

Except as set forth in Section 10.1, such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided and the County or Bond Counsel, acting on the County's behalf, has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

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After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the County shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the County and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such 60 day period; provided, however, that the Trustee during such 60 day period and any such further period during which any such action or proceeding may be pending shall be entitled in its sole discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture, as it may deem expedient; provided, further, that the Trustee shall have no obligation to take or refrain from taking any such action and the Trustee shall have no liability with respect to any action taken or any instance of inactions.

Section 10.4. Effect of Supplemental Indenture.

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

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

The County may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the County, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the County may select and designate for that purpose, a suitable notation shall be made on such Bond. The County may determine that new Bonds, so modified as in the opinion of the County is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.6. Amendatory Endorsement of Bonds.

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

Section 10.7. Waiver of Default

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

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the County stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture or otherwise. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of Bond Counsel addressed and delivered to the Trustee in accordance with this Article X.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

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

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

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

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

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

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

Section 11.2. Immediate Remedies for Default.

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

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

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

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the County, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the County shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds then Outstanding have made

written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the County to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

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

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

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee, and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the County, to the payment of interest and principal or Redemption Price then due on the Bonds, as follows:

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

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due

dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due to the Owners entitled thereto, without any discrimination or preference.

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

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

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

Section 11.5. Effect of Waiver.

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

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

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

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

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same  
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Bonds in respect of anything done or suffered to be done by the County or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

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

Section 11.9. Exclusion of Bonds.

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

Section 11.10. Remedies Not Exclusive.

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

Section 11.11. Direction by Owners.

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

## ARTICLE XII

### GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The County represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Trust IA #1 Indenture of Trust



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

(b) The County shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

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

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

Section 12.2. Accounts, Periodic Reports and Certificates.

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

Section 12.3. General.

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

## ARTICLE XIII

### SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

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

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

Section 13.2. Additional Obligations or Other Liens.

(a) The County reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment orders, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues. Additionally, the County has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues or assessments levied against the Assessed Property so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds issued in accordance with this Section, the County will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired.

(c) Notwithstanding any contrary provisions of this Indenture, the County shall not issue additional Bonds, notes, or other obligations under this Indenture, secured by any pledge of or other lien or charges on the Pledged Revenues or other property of the Trust Estate pledged under this Indenture other than Refunding Bonds. The County reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the state of Texas.

(d) Additionally, the County has reserved the right to issue bonds or other obligations secured by and payable from the Trust Estate so long as such pledge is subordinate to the pledge of the Trust Estate securing payment of the Bonds.

(e) Notwithstanding anything to the contrary herein, no Refunding Bonds, Additional Obligations, or subordinate obligations may be issued by the County unless: (1) the principal (including sinking fund installments) of such Refunding Bonds, Additional Obligations or subordinate obligations are scheduled to mature on December 31 of the years in which principal is scheduled to mature, and (2) the interest on such Refunding Bonds, Additional Obligations or subordinate obligations must be scheduled to be paid on June 30 and December 31 of the years in which interest is scheduled to be paid.

Section 13.3. Books of Record.

(a) The County shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the County, which relate to the Pledged Revenues, the Pledged Funds, the Trust Estate, and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

## ARTICLE XIV

### PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

#### Section 14.1. Trust Irrevocable.

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

#### Section 14.2. Satisfaction of Indenture.

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

#### Section 14.3. Bonds Deemed Paid.

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

payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

## ARTICLE XV

### MISCELLANEOUS

#### Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the County, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the County shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibit(s) hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

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

Whenever in this Indenture or any Supplemental Indenture either the County or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the County or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

#### Section 15.3. Execution of Documents and Proof of Ownership by Owners.

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

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

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

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

#### Section 15.4. Waiver of Personal Liability.

No member, officer, agent, or employee of the County shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing

herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

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

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

If to the County: Denton County, Texas  
1 Courthouse Drive  
Denton, Texas 76208  
Attention: County Judge

If to the Trustee or the Paying Agent/Registrar: U.S. Bank Trust Company, National Association  
Attention: Bond Operations  
111 Fillmore Avenue East  
St. Paul, Minnesota 55107-1402

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

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

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

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the County shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the County whenever a person is to be added or deleted from the listing. If the County elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The County understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The County shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee

IA #1 Indenture of Trust

and the County and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the County. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The County agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the County; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The County hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

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

Section 15.8. Payment on Business Day.

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

Section 15.9. Counterparts.

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

Section 15.10. Statutory Verifications.

The Trustee makes the following representations and verifications to enable the County to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Indenture. As used in such verifications, IA #1 Indenture of Trust

“affiliate” means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

(a) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

*[Remainder of page intentionally left blank]*

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

DENTON COUNTY, TEXAS

By: \_\_\_\_\_  
County Judge

Attest:

\_\_\_\_\_  
County Clerk

[COUNTY SEAL]

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

By: \_\_\_\_\_  
Authorized Officer



**EXHIBIT A**

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE 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. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

United States of America  
State of Texas

DENTON COUNTY, TEXAS  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____ %	December 31, 20____	_____	_____

The County of Denton, Texas (the "County"), for value received, hereby promises to pay, solely from the Trust Estate, to

\_\_\_\_\_

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

\_\_\_\_\_ DOLLARS

unless this 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 December 31 and June 30 of each year, commencing June 30, 2025, until maturity or prior redemption.

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in St. Paul, Minnesota (the "Designated Payment/Transfer Office"), of U.S. Bank Trust Company, National Association, as trustee and paying agent/registrant (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor

trustee and paying agent/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 fifteenth calendar day of the month in which such Interest Payment Date occurs; 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 County. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond 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 County having the designation specified in its title (herein referred to as the "Bonds"), dated \_\_\_\_\_, 2025 and issued in the aggregate principal amount of \$\_\_\_\_\_ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of March 1, 2025 (the "Indenture"), by and between the County and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the County, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying the District Formation Costs allocable to Improvement Area #1; and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Improvement Area #1 Projects, and other costs relating to the issuance of the Bonds.

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

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the County to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of \$100,000 and any multiple of \$1,000 in excess thereof.

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

**Term Bonds Maturing December 31, 20**

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
December 31, 20__	_____
December 31, 20__	_____
December 31, 20__	_____
December 31, 20__	_____
December 31, 20__	_____
December 31, 20__	_____
December 31, 20__	_____
December 31, 20__	_____
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December 31, 20__	_____
December 31, 20__	_____
December 31, 20__	_____
December 31, 20__	_____
December 31, 20__	_____
December 31, 20__*	_____

\* maturity

At least 45 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption, pursuant to the provisions of the Indenture, a principal amount of Bonds of such maturity equal to the Sinking Fund Installments of such Bonds to be redeemed, shall call such Bonds for redemption on such

scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

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

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

The County reserves the right and option to redeem the Bonds maturing on or after December 31, 20\_\_, before their scheduled maturity dates, in whole or in part, on any date on or after December 31, 20\_\_, such redemption date or dates to be fixed by the County, at the redemption price of par plus accrued interest to the date of redemption.

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

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

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the redemption price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the County may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the County shall not redeem the Bonds, 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 County 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 County with certain past defaults under the Bond Order 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 County nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond redeemed in part.

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

The County has reserved the right to issue Additional Obligations on the terms and conditions specified in the Indenture.

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

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

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

\_\_\_\_\_  
County Judge, Denton County, Texas

\_\_\_\_\_  
County Clerk, Denton County, Texas

[County Seal]

(b) Form of Comptroller's Registration Certificate.

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

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §  
OF PUBLIC ACCOUNTS § REGISTER NO. \_\_\_\_\_  
§  
THE STATE OF TEXAS §

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this \_\_\_\_\_

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

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

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

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

Date: \_\_\_\_\_

Signature Guaranteed By:

\_\_\_\_\_

Authorized Signatory

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

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

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

(ii) in the first paragraph of the Bond, the words "on the Maturity Date as specified above, the sum of \_\_\_\_\_ DOLLARS" shall be deleted and the following will be inserted: "on December 31 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
--------------	------------------------------	--------------------------

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

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

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**APPENDIX B**

**FORM OF SERVICE AND ASSESSMENT PLAN**

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# Green Meadows Public Improvement District

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SERVICE AND ASSESSMENT PLAN

February 11, 2025



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# I. INTRODUCTION

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

On November 19, 2024, the Commissioners Court passed and approved a Resolution filed in the Denton County property records as Document No. 126937, authorizing the creation of the District in accordance with the PID Act.

The purpose of the District is to finance the Actual Costs of the Authorized Improvements that confer a special benefit on property within the District. The District contains approximately 849.308 acres located within the County, as described legally by metes and bonds on **Exhibit K-1** and as depicted on the map in **Exhibit A-1**.

The PID Act requires a service plan covering a period of at least five years, defining the annual indebtedness and projected cost of the Authorized Improvements, and including a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section V** and the notice form is attached as **Exhibits J-1 through J-16**.

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 VI**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the County. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements and the related Bond Issuance Costs, and District Formation Costs. The Major Improvement Area Assessment Roll, the Improvement Area G1A Assessment Roll, the Improvement Area G1B Assessment Roll, the Improvement Area K1 Assessment Roll, and the Improvement Area P1 Assessment Roll are contained in **Exhibits E-1, F-1, F-3, F-5, and F-7**, respectively.

## II. DEFINITIONS

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

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

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

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

**“Annual Collection Costs”** mean 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 County; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) 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 Installment”** means the annual installment payment of an Assessment as calculated by the Administrator and approved by the Commissioners Court, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable.

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

**“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 Order and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

**“Assessment Order”** means any order adopted by the Commissioners Court 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 VI**.

**“Assessment Roll”** means any assessment roll for the Assessed Property within the District, including the Major Improvement Area Assessment Roll, the Improvement Area G1A Assessment Roll, the Improvement Area G1B Assessment Roll, the Improvement Area K1 Assessment Roll, and the Improvement Area P1 Assessment Roll included in this Service and Assessment Plan as **Exhibit E-1, Exhibit F-1, Exhibit F-3, Exhibit F-5, and Exhibit F-7**, respectively, 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 as depicted in **Exhibits G-1, G-2, G-3, and G-4** and described in **Section IV**.

**“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, County 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.

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

**“County”** means Denton 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 Service and Assessment Plan including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.



**“District”** means the Green Meadows Public Improvement District, consisting of approximately 849.308 acres within the County, as described by metes and bounds shown on **Exhibit K-1** and the map shown on **Exhibit A-1**.

**“District Formation Costs”** means the costs associated with forming the District, including attorney fees and any other cost or expense incurred by the County or the Master Developer or the Owner(s) directly associated with the establishment of the District.

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

**“Estimated Buildout Value”** means the estimated value of an Assessed Property after completion of the horizontal and the vertical improvements (e.g. house, office building, etc.), and shall be determined by the Administrator and confirmed by the Commissioners Court by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may impact value. In the context of Improvement Area G1A, the Estimated Buildout Value is based on estimated sales prices provided by the homebuilders for Improvement Area G1A. In the context of Improvement Area G1B, the Estimated Buildout Value is based on estimated sales prices provided by the homebuilders for Improvement Area G1B. In the context of Improvement Area K1, the Estimated Buildout Value is based on estimated sales prices provided by the homebuilders for Improvement Area K1. In In the context of Improvement Area P1, the Estimated Buildout Value is based on estimated sales prices provided by the homebuilders for Improvement Area P1. In the context of the Major Improvement Area, the Estimated Buildout Value is based on a blended average of estimated prices provided by the homebuilders for pods within the District at the time of the levy of the Major Improvement Area Assessments. The Estimated Buildout Value for each Lot Type and within each Improvement Area is shown in **Exhibit H**.

**“First Year Annual Collection Costs”** means the estimated Annual Collection Costs incurred in the year in which a series of PID Bonds is issued and the capitalized interest period. First Year Annual Collection Costs may be paid out of the proceeds of a series of PID Bonds, if applicable. Annual Collection Costs otherwise incurred will be included as a part of the Annual Installment collected from each Parcel of Assessed Property.

**“Future Improvement Area”** means an Improvement Area which is developed subsequent to Improvement Area #1. As Assessments are levied within each Future Improvement Area, this Service and Assessment Plan will be updated.

**“Future Improvement Areas”** means collectively the portion of the District located outside of Improvement Area #1, being developed subsequent to Improvement Area #1, against which Assessments related to improvements specifically benefitting such area may be levied in the future.

**“Future Zone”** means a Zone which is designated subsequent to Zone G, Zone K and Zone P. As Assessments are levied within each Future Zone, this Service and Assessment Plan will be updated.

**“Future Zones”** means collectively the portion of the District located outside of Zone G, Zone K and Zone P, against which Assessments related to improvements specifically benefitting such area may be levied in the future.

**“Future Zone G Improvement Area”** means any distinct area within Zone G that is developed after Improvement Area G1A and Improvement Area G1B.

**“Future Zone K Improvement Area”** means any distinct area within Zone K that is developed after Improvement Area K1.

**“Future Zone P Improvement Area”** means any distinct area within Zone P that is developed after Improvement Area P1.

**“Homebuyer Disclosure”** means the notice form required by Section 5.014 of the Texas Property Code, as amended, attached hereto as **Exhibits J-1 through J-16**.

**“Homeowner Association Property”** means any property within the boundaries of the District owned by or dedicated to a homeowner’s association.

**“Improvement Area”** means specifically and designated areas within the District that are developed in phases.

**“Improvement Area #1”** means, collectively, Improvement Area G1A, Improvement Area G1B, Improvement Area K1, and Improvement Area P1.

**“Improvement Area #1 Authorized Improvements”** means, collectively, the Improvement Area G1A Authorized Local Projects, Improvement Area G1B Authorized Local Projects, Improvement Area K1 Authorized Local Projects, and Improvement Area P1 Authorized Local Projects.

**“Improvement Area #1 Bonds”** means the Denton County, Texas Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project) that are secured by the Improvement Area G1A Assessments, Improvement Area G1B Assessments, Improvement Area K1 Assessments, and Improvement Area P1 Assessments.

**“Improvement Area G1A”** means the Improvement Area to be developed within the District and Assessed for the Improvement Area G1A Authorized Local Projects, as shown on **Exhibit A-4** and as described on **Exhibit K-2**.

**“Improvement Area G1A Annual Installment”** means the annual installment payment of an Improvement Area G1A Assessment as calculated by the Administrator and approved by the County, that includes: (1) principal related to the Improvement Area #1 Bonds; (2) interest related to the Improvement Area #1 Bonds; (3) Annual Collection Costs and (4) Additional Interest.

**“Improvement Area G1A Assessed Property”** means all Parcels within Improvement Area G1A other than Non-Benefited Property against which an Improvement Area G1A Assessment is levied.

**“Improvement Area G1A Assessment Roll”** means the assessment roll included in this Service and Assessment Plan as **Exhibit F-1**, 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 relating to the issuance of PID Bonds or in connection with any Annual Service Plan Update.

**“Improvement Area G1A Assessments”** means the Assessments shown on the Improvement Area G1A Assessment Roll that are levied on Improvement Area G1A Assessed Property to fund Improvement Area G1A Authorized Local Projects.

**“Improvement Area G1A Authorized Local Projects”** means, collectively, (i) the Improvement Area G1A Local Projects, (ii) allocable Bond Issuance Costs relating to the Improvement Area #1 Bonds, (iii) the pro rata portion of the District Formation Costs attributable to Improvement Area G1A, and (iv) First Year Annual Collection Costs attributable to Improvement Area G1A.

**“Improvement Area G1A Local Improvements”** means Authorized Improvements which only benefit Improvement Area G1A Assessed Property as described in Section IV.

**“Improvement Area G1A Local Projects”** means, collectively, (i) the pro rata portion of the Zone G Improvements allocable to Improvement Area G1A and (ii) the Improvement Area G1A Local Improvements.

**“Improvement Area G1B”** means the Improvement Area to be developed within the District and Assessed for the Improvement Area G1B Authorized Local Projects, as shown on **Exhibit A-5** and as described on **Exhibit K-3**.

**“Improvement Area G1B Annual Installment”** means the annual installment payment of an Improvement Area G1B Assessment as calculated by the Administrator and approved by the County, that includes: (1) principal related to the Improvement Area #1 Bonds; (2) interest related to the Improvement Area #1 Bonds; (3) Annual Collection Costs and (4) Additional Interest.

**“Improvement Area G1B Assessed Property”** means all Parcels within Improvement Area G1B other than Non-Benefited Property against which an Improvement Area G1B Assessment is levied.

**“Improvement Area G1B Assessment Roll”** means the assessment roll included in this Service and Assessment Plan as **Exhibit F-3**, 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 relating to the issuance of PID Bonds or in connection with any Annual Service Plan Update.

**“Improvement Area G1B Assessments”** means the Assessments shown on the Improvement Area G1B Assessment Roll that are levied on Improvement Area G1B Assessed Property to fund Improvement Area G1B Authorized Local Projects.

**“Improvement Area G1B Authorized Local Projects”** means, collectively, (i) the Improvement Area G1B Local Projects, (ii) allocable Bond Issuance Costs relating to the Improvement Area #1 Bonds, (iii) the pro rata portion of the District Formation Costs attributable to Improvement Area G1B, and (iv) First Year Annual Collection Costs attributable to Improvement Area G1B.

**“Improvement Area G1B Local Improvements”** means Authorized Improvements which only benefit Improvement Area G1B Assessed Property as described in Section IV.

**“Improvement Area G1B Local Projects”** means, collectively, (i) the pro rata portion of the Zone G Improvements allocable to Improvement Area G1B and (ii) the Improvement Area G1B Local Improvements.

**“Improvement Area K1”** means the Improvement Area to be developed within the District and Assessed for the Improvement Area K1 Authorized Local Projects, as shown on **Exhibit A-6** and as described on **Exhibit K-4**.

**“Improvement Area K1 Annual Installment”** means the annual installment payment of an Improvement Area K1 Assessment as calculated by the Administrator and approved by the County, that includes: (1) principal related to the Improvement Area #1 Bonds; (2) interest related to the Improvement Area #1 Bonds; (3) Annual Collection Costs and (4) Additional Interest.

**“Improvement Area K1 Assessed Property”** means all Parcels within Improvement Area K1 other than Non-Benefited Property against which an Improvement Area K1 Assessment is levied.

**“Improvement Area K1 Assessment Roll”** means the assessment roll included in this Service and Assessment Plan as **Exhibit F-5**, 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 relating to the issuance of PID Bonds or in connection with any Annual Service Plan Update.

**“Improvement Area K1 Assessments”** means the Assessments shown on the Improvement Area K1 Assessment Roll that are levied on Improvement Area K1 Assessed Property to fund Improvement Area K1 Authorized Local Projects.

**“Improvement Area K1 Authorized Local Projects”** means, collectively, (i) the Improvement Area K1 Local Projects, (ii) allocable Bond Issuance Costs relating to the Improvement Area #1 Bonds, (iii) the pro rata portion of the District Formation Costs attributable to Improvement Area K1, and (iv) First Year Annual Collection Costs attributable to Improvement Area K1.

**“Improvement Area K1 Local Improvements”** means Authorized Improvements which only benefit Improvement Area K1 Assessed Property as described in Section IV.

**“Improvement Area K1 Local Projects”** means, collectively, (i) the pro rata portion of the Zone K Improvements allocable to Improvement Area K1 and (ii) the Improvement Area K1 Local Improvements.

**“Improvement Area P1”** means the Improvement Area to be developed within the District and Assessed for the Improvement Area P1 Authorized Local Projects, as shown on **Exhibit A-7** and as described on **Exhibit K-5**.

**“Improvement Area P1 Annual Installment”** means the annual installment payment of an Improvement Area P1 Assessment as calculated by the Administrator and approved by the County,

that includes: (1) principal related to the Improvement Area #1 Bonds; (2) interest related to the Improvement Area #1 Bonds; (3) Annual Collection Costs and (4) Additional Interest.

**“Improvement Area P1 Assessed Property”** means all Parcels within Improvement Area P1 other than Non-Benefited Property against which an Improvement Area P1 Assessment is levied.

**“Improvement Area P1 Assessment Roll”** means the assessment roll included in this Service and Assessment Plan as **Exhibit F-7**, 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 relating to the issuance of PID Bonds or in connection with any Annual Service Plan Update.

**“Improvement Area P1 Assessments”** means the Assessments shown on the Improvement Area P1 Assessment Roll that are levied on Improvement Area P1 Assessed Property to fund Improvement Area P1 Authorized Local Projects.

**“Improvement Area P1 Authorized Local Projects”** means, collectively, (i) the Improvement Area P1 Local Projects, (ii) allocable Bond Issuance Costs relating to the Improvement Area #1 Bonds, (iii) the pro rata portion of the District Formation Costs attributable to Improvement Area P1, and (iv) First Year Annual Collection Costs attributable to Improvement Area P1.

**“Improvement Area P1 Local Improvements”** means Authorized Improvements which only benefit Improvement Area P1 Assessed Property as described in Section IV.

**“Improvement Area P1 Local Projects”** means, collectively, (i) the pro rata portion of the Zone P Improvements allocable to Improvement Area P1 and (ii) the Improvement Area P1 Local Improvements.

**“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 County and the Trustee setting forth terms and conditions related to the PID Bonds.

**“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. retail, office, multi-family residential, single family residential), as determined by the Administrator and confirmed by the Commissioners Court. In the case of residential Lots, the Lot Type shall be further defined by the feet of frontage, as provided in **Exhibit H**.

**“Lot Type 40”** means Major Improvement Area Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 40’ lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-1** for Homebuyer Disclosures for Lot Type 40’ Lots.

**“Lot Type 50”** means Major Improvement Area Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units

and being marketed to homebuilders as a 50' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-2** for Homebuyer Disclosures for Lot Type 50' Lots.

**“Lot Type 60”** means Major Improvement Area Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 60' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-3** for Homebuyer Disclosures for Lot Type 60' Lots.

**“Lot Type 70”** means Major Improvement Area Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 70' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-4** for Homebuyer Disclosures for Lot Type 70' Lots.

**“Lot Type G1A-50”** means Improvement Area G1A Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 50' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-5** for Homebuyer Disclosures for Lot Type G1A-50' Lots.

**“Lot Type G1A-60”** means Improvement Area G1A Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 60' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-6** for Homebuyer Disclosures for Lot Type G1A-60' Lots.

**“Lot Type G1A-70”** means Improvement Area G1A Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 70' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-7** for Homebuyer Disclosures for Lot Type G1A-70' Lots.

**“Lot Type G1B-50”** means Improvement Area G1B Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 50' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-8** for Homebuyer Disclosures for Lot Type G1B-50' Lots.

**“Lot Type G1B-60”** means Improvement Area G1B Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 60' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-9** for Homebuyer Disclosures for Lot Type G1B-60' Lots.

**“Lot Type G1B-70”** means Improvement Area G1B Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 70' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-10** for Homebuyer Disclosures for Lot Type G1B-70' Lots.

**“Lot Type K1-50”** means Improvement Area K1 Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and

being marketed to homebuilders as a 50' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-11** for Homebuyer Disclosures for Lot Type K1-50' Lots.

**“Lot Type K1-60”** means Improvement Area K1 Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 60' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-12** for Homebuyer Disclosures for Lot Type K1-60' Lots.

**“Lot Type K1-70”** means Improvement Area K1 Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 70' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-13** for Homebuyer Disclosures for Lot Type K1-70' Lots.

**“Lot Type P1-50”** means Improvement Area P1 Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 50' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-14** for Homebuyer Disclosures for Lot Type P1-50' Lots.

**“Lot Type P1-60”** means Improvement Area P1 Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 60' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-15** for Homebuyer Disclosures for Lot Type P1-60' Lots.

**“Lot Type P1-70”** means Improvement Area P1 Assessed Property platted or anticipated to be platted into similarly benefitted Lots to be used or developed for single family detached dwelling units and being marketed to homebuilders as a 70' lot type that may be developed with and sold for single family detached dwelling units. See **Exhibit J-16** for Homebuyer Disclosures for Lot Type P1-70' Lots.

**“Major Improvement Area”** means the area contiguous with the District and assessed for the Major Improvement Area Authorized Improvements, as shown on **Exhibit A-2** and as described on **Exhibit K-1**.

**“Major Improvement Area Annual Installment”** means the annual installment payment of a Major Improvement Area Assessment as calculated by the Administrator and approved by the County, that includes: (1) principal related to the Major Improvement Area Bonds; (2) interest related to the Major Improvement Area Bonds; (3) Annual Collection Costs and (4) Additional Interest.

**“Major Improvement Area Assessed Property”** means all Parcels within the Major Improvement Area other than Non-Benefitted Property against which a Major Improvement Area Assessment is levied.

**“Major Improvement Area Assessment Roll”** means the assessment roll included in this Service and Assessment Plan as **Exhibit E-1**, 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 relating to the issuance of PID Bonds or in connection with any Annual Service Plan Update.



**“Major Improvement Area Assessments”** means the Assessments shown on the Major Improvement Area Assessment Roll that are levied on Major Improvement Area Assessed Property to fund Major Improvement Area Authorized Improvements. Property within Improvement Area G1A, Improvement Area G1B, Improvement Area K1, and Improvement Area P1 is located in the Major Improvement Area and is a part of the Major Improvement Area Assessed Property. The Major Improvement Area Assessments levied against this portion of the Major Improvement Area Assessed Property are on equal lien priority with the other respective Assessments levied against such property.

**“Major Improvement Area Authorized Improvements”** means, collectively, (i) the Major Improvements, (ii) Bond Issuance Costs relating to the Major Improvement Area Bonds, (iii) the pro rata portion of the District Formation Costs attributable to the Major Improvement Area, and (iv) First Year Annual Collection Costs attributable to the Major Improvement Area.

**“Major Improvement Area Bonds”** means those Denton County, Texas Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Major Improvement Area Project) that are secured by the Major Improvement Area Assessments.

**“Major Improvements”** means those Authorized Improvements that confer a special benefit to all of the Major Improvement Area Assessed Property within the District, as further described in **Section IV** and **Exhibit B-1** and depicted on **Exhibit G-1**.

**“Master Developer”** means Celina 6, LP, a Texas limited partnership, including its successors and assigns.

**“Maximum Assessment”** means for each Lot Type, an Assessment equal to the amount shown on **Exhibit H**, with respect to such Lot Type the Maximum Assessment for the Major Improvement Area Assessed Property within each Zone, Improvement Area G1A Assessed Property, Improvement Area G1B Assessed Property, Improvement Area K1 Assessed Property, Improvement Area P1 Assessed Property, and will be updated, but not increased, in each Annual Service Plan Update, and the Maximum Assessment for Future Improvement Areas and Future Zones will be determined in future Annual Service Plan updates.

**“Mustang SUD”** means Mustang Special Utility District.

**“Non-Benefited Property”** means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements, including but not limited to Homeowner Association Property, Public Property, and easements that create an exclusive use for a public utility provider.

**“Notice of Assessment Termination”** means a document recorded in the official public records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit I**.

**“Owner(s)”** means GM Celina, LP; North Celina, LP; Grand Oaks Residential Development, LLC; GSW Land Investors IV, LP; PH Land Holdings, LLC; Green Meadows Land Venture, LLC; Wilbow Finance-Green Meadows, LLC; and any successors or assigns thereof that intend to develop any portion of the



property in the District for the ultimate purpose of transferring title to end users. Each of such entities is individually referred to herein as an Owner.

**“Parcel(s)”** means a property identified by either a tax map identification number assigned by the Denton 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 County.

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

**“PID Bonds”** means bonds issued by the County, in one or more series, to finance the Authorized Improvements that confer a special benefit on the property within the District or to refund previously issued PID Bonds.

**“Plat”** or **“Subdivision Plat”** means a “plat” as defined in and approved in accordance with Denton County Subdivision Rules and Regulations.

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

**“Prepayment Costs”** means principal, interest, including Additional Interest, and Annual Collection Costs to the date of Prepayment.

**“Public Property”** means property within the boundaries of the District that is owned by or dedicated to the federal government, the State of Texas, the County, a school district, a public utility provider or any other public agency, whether in fee simple or through an exclusive use easement.

**“Service and Assessment Plan”** means this Service and Assessment Plan as it may be modified, amended, supplemented, and updated from time to time.

**“Service Plan”** means the portion of this Service and Assessment plan which covers a period of least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

**“Trustee”** means the trustee (or successor trustee) under an Indenture.

**“WCID”** means Smiley Road Water Control and Improvement District No. 2.

**“Zone”** means Zone G, Zone K, Zone P or Future Zones, as applicable.

**“Zone G”** means the area depicted on **Exhibit A-3** as Zone G, and which receives a special benefit from the Zone G Improvements.

**“Zone G Improvements”** mean those Authorized Improvements that confer a special benefit to Zone G, as further described in Section IV and **Exhibit B-2** and depicted on **Exhibit G-2.1**. The Zone G Improvements are allocated to Improvement Area G1A, Improvement Area G1B, and the Future Zone G Improvement Area as further described in Section IV and **Exhibit B-2**.

**“Zone K”** means the area depicted on **Exhibit A-3** as Zone K, and which receives a special benefit from the Zone K Improvements.

**“Zone K Improvements”** mean those Authorized Improvements that confer a special benefit to Zone K, as further described in Section IV and **Exhibit B-3** and depicted on **Exhibit G-3.1**. The Zone K Improvements are allocated to Improvement Area K1 and the Future Zone K Improvement Area as further described in Section IV and **Exhibit B-3**.

**“Zone P”** means the area depicted on **Exhibit A-3** as Zone P, and which receives a special benefit from the Zone P Improvements.

**“Zone P Improvements”** mean those Authorized Improvements that confer a special benefit to Zone P, as further described in Section IV and **Exhibit B-4** and depicted on **Exhibit G-4.1**. The Zone P Improvements are allocated to Improvement Area P1 and the Future Zone P Improvement Area as further described in Section IV and **Exhibit B-4**.

### III. THE DISTRICT

The District includes approximately 849.308 acres located within the County, as described legally by metes and bounds on **Exhibit K-1** and as depicted on the map on **Exhibit A-1**.

The Major Improvement Area, which is contiguous with the District, includes approximately 849.308 acres as described legally by metes and bounds on **Exhibit K-1** and as depicted on the map on **Exhibit A-2**. The Major Improvement Area Assessed Property is anticipated to include a total of 2,574 lots. Development of the Major Improvement Area is anticipated to include 117 Lots classified as Lot Type 40', 1,016 Lots classified as Lot Type 50', 860 Lots classified as Lot Type 60', and 581 Lots classified as Lot Type 70'.

Improvement Area G1A included approximately 66.513 acres as described legally by metes and bounds on **Exhibit K-2** and as depicted on the map on **Exhibit A-4**. Development of Improvement Area G1A is anticipated to include 78 Lots classified as Lot Type G1A-50', 55 Lots classified as Lot Type G1A-60' and 73 Lots classified as Lot Type G1A-70'.

Improvement Area G1B included approximately 51.744 acres as described legally by metes and bounds on **Exhibit K-3** and as depicted on the map on **Exhibit A-5**. Development of Improvement Area G1B is anticipated to include 78 Lots classified as Lot Type G1B-50', 73 Lots classified as Lot Type G1B-60' and 28 Lots classified as Lot Type G1B-70'.

Improvement Area K1 included approximately 24.616 acres as described legally by metes and bounds on **Exhibit K-4** and as depicted on the map on **Exhibit A-6**. Development of Improvement Area K1 is anticipated to include 37 Lots classified as Lot Type K1-50', 35 Lots classified as Lot Type K1-60' and 27 Lots classified as Lot Type K1-70'.

Improvement Area P1 included approximately 63.938 acres as described legally by metes and bounds on **Exhibit K-5** and as depicted on the map on **Exhibit A-7**. Development of Improvement Area P1 is anticipated to include 128 Lots classified as Lot Type P1-50', 69 Lots classified as Lot Type P1-60' and 67 Lots classified as Lot Type P1-70'.

## IV. AUTHORIZED IMPROVEMENTS

The County, based on information provided by the Owners, the Master Developer and their respective engineers, including the Engineer's Report, and on review by the County staff, and by third-party consultants retained by the County, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with County standards and specifications and/or the City of Celina standards and specifications and/or the standards and specifications of Mustang SUD, as applicable, and will be owned and operated by the County unless otherwise indicated. Once the facilities are completed, it is anticipated that the Authorized Improvements will be approved by the County and accepted by Mustang SUD and/or the WCID. The budget for the Authorized Improvements, as well as the allocation of the Authorized Improvements, is shown on **Exhibits B-1, B-2, B-3 and B-4.**

### A. Major Improvements

- *Onsite Roadway Improvements*

The onsite roadway improvements including right of way dedication and construction of thoroughfare and local subdivision streets, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all Property in the District. The onsite roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Offsite Roadway Improvements*

The offsite roadway improvements including right of way dedication and construction of thoroughfare improvements, including related paving, pavement marking and signage, and drainage located outside the boundaries of the District but conferring a benefit on all Property in the District. The offsite roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Onsite Water Improvements*

The onsite water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include water wells, raw water transmission lines, water treatment and storage facilities, water lines, mains, valves, fire hydrants, as well as related testing, trench safety and erosion protection, necessary to serve all Property in the District. The onsite water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Offsite Water Improvements*

The offsite water improvements consist of construction and installation of water lines, mains, pipes, valves, and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service all Property in the District. The offsite water improvements are constructed exclusively for the benefit of the District and will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Sanitary Sewer*

The sanitary sewer improvements consist of a wastewater treatment plant, lift stations, force mains, and gravity collection system improvements including construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to all Property in the District. The sanitary sewer improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Storm Drainage*

The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve all Property in the District. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Soft and Miscellaneous Costs*

The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Major Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, entry features, art installations, topographic and boundary surveys, construction staking, construction management, and contingency, costs associated with financing the Major Improvements.

- *District Formation Costs*

The costs associated with forming and operating the District and allocable to the entire Major Improvement Area at this time, including attorney fees and any other cost or expense incurred by the County or the Master Developer or the Owner(s) directly associated with the establishment of the District. As each Future Improvement Area is developed, each Future Improvement Area will be allocated a portion of the District Formation Costs.

## **B. Zone G Improvements**

- *Road Improvements*

The roadway improvements consist of right of way dedication and construction of collector roads, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all of Zone G. The roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Water Improvements*

The water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include raw water transmission lines, water lines, mains, valves, fire hydrants, as well as related testing, trench safety and erosion protection, necessary to serve Zone G. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Storm Drainage*

The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve Zone G. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Soft and Miscellaneous Costs*

The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Zone G Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency.

## **C. Zone K Improvements**

- *Road Improvements*

The roadway improvements consist of right of way dedication and construction of collector roads, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all of Zone K. The roadway improvements will be designed and constructed in accordance with the County and City of Celina City standards and specifications and will be owned and operated by WCID.

- *Water Improvements*

The water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include raw water transmission lines, water lines, mains, valves, fire hydrants, as well as related testing, trench safety and erosion protection, necessary to serve Zone K. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Storm Drainage*

The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve Zone K. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Soft and Miscellaneous Costs*

The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Zone K Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency.

#### **D. Zone P Improvements**

- *Road Improvements*

The roadway improvements consist of right of way dedication and construction of collector roads, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all of Zone P. The roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Storm Drainage*

The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve Zone P. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Soft and Miscellaneous Costs*

The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Zone P Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency.

## **E. Improvement Area G1A Local Improvements**

- *Road Improvements*

The roadway improvements consist of right of way dedication and construction of collector roads and local subdivision streets, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all Improvement Area G1A Assessed Property. The roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Water Improvements*

The water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include raw water transmission lines, water lines, mains, valves, fire hydrants, as well as related testing, trench safety and erosion protection, necessary to serve the Improvement Area G1A Assessed Property. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Sanitary Sewer*

The sanitary sewer improvements consist of force mains and gravity collection system improvements including construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area G1A Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Storm Drainage*

The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve the Improvement Area G1A Assessed Property. The storm drainage



improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Soft and Miscellaneous Costs*

The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Improvement Area G1A Local Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency, costs associated with financing the Improvement Area G1A Local Improvements.

- *District Formation Costs*

The costs associated with forming and operating the District and allocable to Improvement Area G1A at this time, including attorney fees and any other cost or expense incurred by the County or the Master Developer or the Owner(s) directly associated with the establishment of the District.

## **F. Improvement Area G1B Local Improvements**

- *Road Improvements*

The roadway improvements consist of right of way dedication and construction of collector roads and local subdivision streets, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all Improvement Area G1B Assessed Property. The roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Water Improvements*

The water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include raw water transmission lines, water lines, mains, valves, fire hydrants, as well as related testing, trench safety and erosion protection, necessary to serve the Improvement Area G1B Assessed Property. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Sanitary Sewer*

The sanitary sewer improvements consist of force mains and gravity collection system improvements including construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area G1B Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Storm Drainage*

The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve the Improvement Area G1B Assessed Property. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Soft and Miscellaneous Costs*

The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Improvement Area G1B Local Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency, costs associated with financing the Improvement Area G1B Local Improvements.

- *District Formation Costs*

The costs associated with forming and operating the District and allocable to Improvement Area G1B at this time, including attorney fees and any other cost or expense incurred by the County or the Master Developer or the Owner(s) directly associated with the establishment of the District.

## **G. Improvement Area K1 Local Improvements**

- *Road Improvements*

The roadway improvements consist of right of way dedication and construction of collector roads and local subdivision streets, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all Improvement Area K1 Assessed Property. The roadway improvements will be designed and

constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Water Improvements*

The water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include raw water transmission lines, water lines, mains, valves, fire hydrants, as well as related testing, trench safety and erosion protection, necessary to serve the Improvement Area K1 Assessed Property. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Sanitary Sewer*

The sanitary sewer improvements consist of force mains and gravity collection system improvements including construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area K1 Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Storm Drainage*

The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve the Improvement Area K1 Assessed Property. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Soft and Miscellaneous Costs*

The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Improvement Area K1 Local Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency, costs associated with financing the Improvement Area K1 Local Improvements.

- *District Formation Costs*

The costs associated with forming and operating the District and allocable to Improvement Area K1 at this time, including attorney fees and any other cost or expense incurred by the

County or the Master Developer or the Owner(s) directly associated with the establishment of the District.

## **H. Improvement Area P1 Local Improvements**

- *Road Improvements*

The roadway improvements consist of right of way dedication and construction of collector roads and local subdivision streets, including related paving with curb and gutters, pavement marking and signage, storm drainage, sidewalks, and retaining walls which will benefit all Improvement Area P1 Assessed Property. The roadway improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Water Improvements*

The water improvements consist of collection, treatment, storage, and distribution facilities. These facilities include raw water transmission lines, water lines, mains, valves, fire hydrants, as well as related testing, trench safety and erosion protection, necessary to serve the Improvement Area P1 Assessed Property. The water improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Sanitary Sewer*

The sanitary sewer improvements consist of force mains and gravity collection system improvements including construction and installation of pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Improvement Area P1 Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with Mustang SUD standards and specifications and will be owned and operated by Mustang SUD.

- *Storm Drainage*

The storm drainage improvements consist of detention areas, reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and safety end treatments necessary to serve the Improvement Area P1 Assessed Property. The storm drainage improvements will be designed and constructed in accordance with the County and City of Celina standards and specifications and will be owned and operated by WCID.

- *Soft and Miscellaneous Costs*

The soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Improvement Area P1 Local Improvements including land planning and design, fees assessed by regulatory agencies, legal fees, engineering, soil and construction testing, landscaping, entry features, topographic and boundary surveys, construction staking, construction management, and contingency, costs associated with financing the Improvement Area P1 Local Improvements.

- *District Formation Costs*

The costs associated with forming and operating the District and allocable to Improvement Area P1 at this time, including attorney fees and any other cost or expense incurred by the County or the Master Developer or the Owner(s) directly associated with the establishment of the District.

#### **I. 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 related to the cost of underwriting such PID Bonds.

- *Underwriter's Counsel*

Equals a percentage of the par amount of a particular series of PID Bonds reserved for the underwriter's attorney fees.

- *Cost of Issuance*

Includes costs of issuing a particular series of PID Bonds, including, but not limited to, issuer fees, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, fees charged by the Texas Attorney General, and any other cost or expense incurred by the County directly associated with the issuance of PID Bonds.

## **J. Other Costs**

- *First Year Annual Collection Costs*

Equals the amount necessary to fund the First Year Annual Collection Costs for a particular series of PID Bonds.

## V. SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also required to include a copy of the Homebuyer Disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Homebuyer Disclosures are attached in **Exhibits J-1 through J-16**. The Service Plan shall be updated in each Annual Service Plan Update. **Exhibit C** summarizes the Service Plan for the District.

**Exhibit D-1** summarizes the sources and uses of funds required to finance the Major Improvement Area Authorized Improvements and **Exhibit D-2** summarizes the sources and uses of funds required to finance the Improvement Area #1 Authorized Improvements. The sources and uses of funds shown on **Exhibit D-1** and **Exhibit D-2** shall be updated in each Annual Service Plan Update.

## VI. ASSESSMENT PLAN

The PID Act allows the County 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 County, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the County that results in imposing equal shares of such costs on property similarly benefitted. 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 County and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The section of this Service and Assessment Plan describes the special benefit conferred on each Assessed Property within the District by the Authorized Improvements and provides the basis of 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 County of the assessment methodologies set forth below is the result of the discretionary exercise by the Commissioners Court of its legislative authority and governmental powers and is conclusive and binding on each Owner and all future owners and developers of the Assessed Property.

### A. Assessment Methodology

The Commissioners Court, acting in its legislative capacity based on information provided by the Owners, the Master Developer and their respective engineers, including the Engineer Report, and on review by the County staff and by third-party consultants retained by the County, has determined that the Improvement Area G1A Authorized Local Projects, the Improvement Area G1B Authorized Local Projects, the Improvement Area K1 Authorized Local Projects, the Improvement Area P1 Authorized Local Projects, the Zone G Improvements, the Zone K Improvements, the Zone P Improvements, and the Major Improvement Area Authorized Improvements shall be allocated as follows:

- The budgeted costs of the Major Improvements will be allocated entirely to the Major Improvement Area Assessed Property, as shown in **Exhibit B-1**. The costs of the Major Improvement Area Authorized Improvements, as shown on **Exhibit B-1**, shall be allocated to each Parcel of Assessed Property within the Major Improvement Area based on Estimated Buildout Value calculated using a blended average of the estimated home values provided for homes within the District.
- The budgeted costs of the Zone G Improvements will be allocated entirely to the Improvement Area G1A Assessed Property, Improvement Area G1B Assessed Property, and to the Future Zone G Improvement Area as shown in **Exhibit B-2**. The costs of the Zone G Improvements, as shown on **Exhibit B-2**, shall be allocated to each Parcel of Assessed Property within Zone G based on Estimated Buildout Value calculated using estimated home values



provided for homes within Zone G. The budgeted costs of the Improvement Area G1A Local Improvements will be allocated entirely to Improvement Area G1A based on Estimated Buildout Value. The budgeted costs of the Improvement Area G1B Local Improvements shall be allocated entirely to Improvement Area G1B based on Estimated Buildout Value.

- The budgeted costs of the Improvement Area G1A Authorized Local Projects will be allocated entirely to Improvement Area G1A Assessed Property, as shown in **Exhibit B-2**. The costs of the Improvement Area G1A Authorized Local Projects, as shown on **Exhibit B-2**, shall be allocated to each Parcel of Assessed Property within Improvement Area G1A based upon the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area G1A Assessed Property to the Estimated Buildout Value of all Improvement Area G1A Assessed Property using estimated home prices provided by the builder for Improvement Area G1A.
- The budgeted costs of the Improvement Area G1B Authorized Local Projects will be allocated entirely to Improvement Area G1B Assessed Property, as shown in **Exhibit B-2**. The costs of the Improvement Area G1B Authorized Local Projects, as shown on **Exhibit B-2**, shall be allocated to each Parcel of Assessed Property within Improvement Area G1B based upon the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area G1B Assessed Property to the Estimated Buildout Value of all Improvement Area G1B Assessed Property using estimated home prices provided by the builder for Improvement Area G1B.
- The budgeted costs of the Zone K Improvements will be allocated entirely to the Improvement Area K1 Assessed Property and to the Future Zone K Improvement Area as shown in **Exhibit B-3**. The costs of the Zone K Improvements, as shown on **Exhibit B-3**, shall be allocated to each Parcel of Assessed Property within Zone K based on Estimated Buildout Value calculated using estimated home values provided for homes within Zone K. The budgeted costs of the Improvement Area K1 Local Improvements shall be allocated entirely to Improvement Area K1 based on Estimated Buildout Value.
- The budgeted costs of the Improvement Area K1 Authorized Local Projects will be allocated entirely to Improvement Area K1 Assessed Property, as shown in **Exhibit B-3**. The costs of the Improvement Area K1 Authorized Local Projects, as shown on **Exhibit B-3**, shall be allocated to each Parcel of Assessed Property within Improvement Area K1 based upon the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area K1 Assessed Property to the Estimated Buildout Value of all Improvement Area K1 Assessed Property using estimated home prices provided by the builder for Improvement Area K1.
- The budgeted costs of the Zone P Improvements will be allocated entirely to the Improvement Area P1 Assessed Property and to the Future Zone P Improvement Areas as shown in **Exhibit B-4**. The costs of the Zone P Improvements, as shown on **Exhibit B-4**, shall be allocated to each Parcel of Assessed Property within Zone P based on Estimated Buildout Value calculated using estimated home values provided for homes within Zone P. The budgeted costs of the Improvement Area P1 Local Improvements shall be allocated entirely to Improvement Area P1 based on Estimated Buildout Value.

- The budgeted costs of the Improvement Area P1 Authorized Local Projects will be allocated entirely to Improvement Area P1 Assessed Property, as shown in **Exhibit B-4**. The costs of the Improvement Area P1 Authorized Local Projects, as shown on **Exhibit B-4**, shall be allocated to each Parcel of Assessed Property within Improvement Area P1 based upon the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area P1 Assessed Property to the Estimated Buildout Value of all Improvement Area P1 Assessed Property using estimated home prices provided by the builder for Improvement Area P1.
- Estimated Bond Issuance Costs and First Year Annual Collection Costs associated with the Major Improvement Area Bonds will be allocated to the Major Improvement Area Assessed Property.
- Estimated Bond Issuance Costs and First Year Annual Collection Costs associated with the Improvement Area #1 Bonds will be allocated proportionally to the Improvement Area G1A Assessed Property, the Improvement Area G1B Assessed Property, the Improvement Area K1 Assessed Property and the Improvement Area P1 Assessed Property.

## **B. Assessments**

The Major Improvement Area Assessment will be levied on Major Improvement Area Assessed Property in the amounts shown on the Major Improvement Area Assessment Roll, as described in **Exhibit E-1**. The projected Major Improvement Area Annual Installments are shown in **Exhibit E-2**. Upon division or subdivision of any Major Improvement Area Assessed Property, the Major Improvement Area Assessment will be reallocated pursuant to **Section VII** below.

The Improvement Area G1A Assessment will be levied on Improvement Area G1A Assessed Property in the amounts shown on the Improvement Area G1A Assessment Roll, as shown in **Exhibit F-1**. The projected Improvement Area G1A Annual Installments are shown in **Exhibit F-2**. Upon division or subdivision of any Improvement Area G1A Assessed Property, the Improvement Area G1A Assessment will be reallocated pursuant to **Section VII** below.

The Improvement Area G1B Assessment will be levied on Improvement Area G1B Assessed Property in the amounts shown on the Improvement Area G1B Assessment Roll, as shown in **Exhibit F-3**. The projected Improvement Area G1B Annual Installments are shown in **Exhibit F-4**. Upon division or subdivision of any Improvement Area G1B Assessed Property, the Improvement Area G1B Assessment will be reallocated pursuant to **Section VII** below.

The Improvement Area K1 Assessment will be levied on Improvement Area K1 Assessed Property in the amounts shown on the Improvement Area K1 Assessment Roll, as shown in **Exhibit F-5**. The projected Improvement Area K1 Annual Installments are shown in **Exhibit F-6**. Upon division or subdivision of any Improvement Area K1 Assessed Property, the Improvement Area K1 Assessment will be reallocated pursuant to **Section VII** below.

The Improvement Area P1 Assessment will be levied on Improvement Area P1 Assessed Property in the amounts shown on the Improvement Area P1 Assessment Roll, as shown in **Exhibit F-7**. The projected Improvement Area P1 Annual Installments are shown in **Exhibit F-8**. Upon division or

subdivision of any Improvement Area P1 Assessed Property, the Improvement Area P1 Assessment will be reallocated pursuant to **Section VII** below.

The Assessment for any Future Improvement Areas will be determined when such Future Improvement Area is created.

### **C. Findings of Special Benefit**

The Commissioners Court, acting in its legislative capacity based on information provided by the Owners, the Master Developer and their respective engineers and reviewed by the County staff and by third-party consultants retained by the County, has found and determined:

- Major Improvement Area
  - The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Authorized Improvements equal to or greater than the Actual Cost of the Major Improvement Area Authorized Improvements;
  - The budgeted costs of Major Improvements equals \$59,193,847 as shown in **Exhibit B-1**;
  - The Bond Issuance Costs associated with Major Improvement Area Bonds are estimated to be \$22,962,785, and the First Year Annual Collection Costs associated with the Major Improvement Area are estimated to be \$82,500, as shown in **Exhibit B-1**; and
  - The special benefit received by the Major Improvement Area Assessed Property from the Major Improvement Area Authorized Improvements (\$82,239,132) is equal to or greater than the Major Improvement Area Assessment (\$82,239,000) levied on the Major Improvement Area for the Major Improvement Area Authorized Improvements.
- Improvement Area G1A
  - The Improvement Area G1A Assessed Property receives special benefit from the Improvement Area G1A Authorized Local Projects equal to or greater than the Actual Cost of the Improvement Area G1A Authorized Local Projects;
  - The budgeted costs of the Improvement Area G1A Local Projects equal \$14,487,142 as shown in **Exhibit B-2**;
  - The Bond Issuance Costs associated with Improvement Area #1 Bonds allocable to Improvement Area G1A are estimated to be \$5,207,020 and the First Year Annual Collection Costs allocable to Improvement Area G1A are estimated to be \$82,500, as shown in **Exhibit B-2**;
  - The budgeted costs of the Improvement Area G1A Authorized Local Projects are equal to \$19,776,662, as shown in **Exhibit B-2**;

- The special benefit received by the Improvement Area G1A Assessed Property from the Improvement Area G1A Authorized Local Projects (\$19,776,662) is equal to or greater than the Improvement Area G1A Assessment (\$19,776,000) levied on the Improvement Area G1A Assessed Property for the Improvement Area G1A Authorized Local Projects.
- Improvement Area G1B
  - The Improvement Area G1B Assessed Property receives special benefit from the Improvement Area G1B Authorized Local Projects equal to or greater than the Actual Cost of the Improvement Area G1B Authorized Local Projects;
  - The budgeted costs of the Improvement Area G1B Local Projects equal \$12,002,996 as shown in **Exhibit B-2**;
  - The Bond Issuance Costs associated with Improvement Area #1 Bonds allocable to Improvement Area G1B are estimated to be \$4,316,772 and the First Year Annual Collection Costs allocable to Improvement Area G1B are estimated to be \$82,500, as shown in **Exhibit B-2**;
  - The budgeted costs of the Improvement Area G1B Authorized Local Projects are equal to \$16,402,268, as shown in **Exhibit B-2**;
  - The special benefit received by the Improvement Area G1B Assessed Property from the Improvement Area G1B Authorized Local Projects (\$16,402,268) is equal to or greater than the Improvement Area G1B Assessment (\$16,402,000) levied on the Improvement Area G1B Assessed Property for the Improvement Area G1B Authorized Local Projects.
- Improvement Area K1
  - The Improvement Area K1 Assessed Property receives special benefit from the Improvement Area K1 Authorized Local Projects equal to or greater than the Actual Cost of the Improvement Area K1 Authorized Local Projects;
  - The budgeted costs of the Improvement Area K1 Local Projects equal \$6,605,463 as shown in **Exhibit B-3**;
  - The Bond Issuance Costs associated with Improvement Area #1 Bonds allocable to Improvement Area K1 are estimated to be \$2,379,383 and the First Year Annual Collection Costs allocable to Improvement Area K1 are estimated to be \$82,500, as shown in **Exhibit B-3**;
  - The budgeted costs of the Improvement Area K1 Authorized Local Projects are equal to \$9,067,346, as shown in **Exhibit B-3**;
  - The special benefit received by the Improvement Area K1 Assessed Property from the Improvement Area K1 Authorized Local Projects (\$9,067,346) is equal to or greater

than the Improvement Area K1 Assessment (\$9,067,000) levied on the Improvement Area K1 Assessed Property for the Improvement Area K1 Authorized Local Projects.

- Improvement Area P1
  - The Improvement Area P1 Assessed Property receives special benefit from the Improvement Area P1 Authorized Local Projects equal to or greater than the Actual Cost of the Improvement Area P1 Authorized Local Projects;
  - The budgeted costs of the Improvement Area P1 Local Projects equal \$13,840,198 as shown in **Exhibit B-4**;
  - The Bond Issuance Costs associated with Improvement Area #1 Bonds allocable to Improvement Area P1 are estimated to be \$4,975,140 and the First Year Annual Collection Costs allocable to Improvement Area P1 are estimated to be \$82,500, as shown in **Exhibit B-4**;
  - The budgeted costs of the Improvement Area P1 Authorized Local Projects are equal to \$18,897,838, as shown in **Exhibit B-4**;
  - The special benefit received by the Improvement Area P1 Assessed Property from the Improvement Area P1 Authorized Local Projects (\$18,897,838) is equal to or greater than the Improvement Area P1 Assessment (\$18,897,000) levied on the Improvement Area P1 Assessed Property for the Improvement Area P1 Authorized Local Projects.

#### **D. Annual Collection Costs**

The Annual Collection Costs shall be paid on a pro rata basis by the owners of each Assessed Property based on the amount of outstanding Assessment remaining on the Assessed Property related to each applicable series of PID Bonds. 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 Rolls, which may be revised in Annual Service Plan Updates based on Actual Costs incurred.

#### **E. Interest**

The interest rate on Assessments securing the PID Bonds may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Interest at the rate of the PID Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the respective Indenture.

## VII. 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 Assessment levied against a Parcel of Assessed Property shall be performed by the Administrator based the applicable Estimated Buildout Value of that Parcel of Assessed Property, relying on information from the Owners, 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 Commissioners Court 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 and for each Assessment levied against such 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 Service and Assessment Plan approved by the Commissioners Court.

#### 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-Benefited Property

E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owners shall provide the County an Estimated Buildout Value per each applicable Lot Type 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 Improvement Area #1 Assessment for a Lot shall be performed by the Administrator and confirmed by the Commissioners Court based on the respective Estimated Buildout Value, relying on information provided by the Owners, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

The calculation of the Major Improvement Area Assessment for a Lot shall be performed by the Administrator and confirmed by the Commissioners Court using the Estimated Buildout Value at the time of the levy of the Major Improvement Area Assessment based on projected home values of \$501,000 for each 40' Lot Type, \$645,531 for each 50' Lot Type, \$736,899 for each 60' Lot Type, and \$835,238 for each 70' Lot Type.

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 and per each Assessment levied against the 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 Service and Assessment Plan approved by the Commissioners Court.

### *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 Commissioners Court in the next Annual Service Plan Update. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to the terms of this Service and Assessment Plan.

## **B. True-up of Assessments if Maximum Assessment Exceeded**

Upon submission of a preliminary plat and/or site plan by an Owner to the County, the applicable Owner shall provide the County the Lot Type of each Parcel included in the preliminary plat and/or site plan for each Lot anticipated to be created by the preliminary plat and/or site plan considering factors that may impact value.

The Administrator will review the preliminary plat and/or site plan to (1) calculate the Improvement Area #1 Assessment applicable to each Lot and (2) determine if such plat and/or site plan will or will not result in the Improvement Area #1 Assessment per Lot for any Lot Type within the preliminary plat and/or site plan exceeding the applicable Maximum Assessment. If the Administrator determines that the preliminary plat and/or site plan results in an Improvement Area #1 Assessment per Lot for any Lot Type exceeding the applicable Maximum Assessment, prior to the County approving the final plat for any such Lot described in the reviewed preliminary plat and/or site plan, the person or entity filing such site plan will make a Prepayment in an amount sufficient to reduce the Improvement Area #1 Assessment levied against such property to equal the applicable Maximum Assessment.

The true up for the Major Improvement Area Assessments with respect to the Maximum Assessments shall be calculated and applied within each Zone. The Administrator will also review the final preliminary plat and/or site plan for any Zone to (1) calculate the Major Improvement Area Assessment applicable to each Lot and (2) determine if such plat and/or site plan will or will not result in the Major Improvement Area Assessment per Lot for any Lot Type within the preliminary plat and/or site plan exceeding the applicable Maximum Assessment for such Zone. If the Administrator determines that the preliminary plat and/or site plan results in a Major Improvement Area Assessment per Lot for any Lot Type exceeding the applicable Maximum Assessment for such Zone, prior to the County approving the final plat for any such Lot described in the reviewed preliminary plat and/or site plan, the person or entity filing such site plan will make a Prepayment in an amount sufficient to reduce the Major Improvement Area Assessment levied against such property to equal the applicable Maximum Assessment for such Zone.

The County's approval of an Annual Service Plan Update, a preliminary plat, or a site plan without payment of such Prepayment amounts does not eliminate the obligation of the person or entity filing such site plan to pay such amounts.

### **C. Mandatory Prepayment of Assessments**

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefited Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefited Property shall pay to the County or the Administrator on behalf of the County the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer. If a reallocation pursuant to Section VII.A above causes the Assessment for any successor parcel to exceed the Maximum Assessment, the owner of the Parcel being reallocated 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 saving or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the applicable Assessments levied for the payment



thereof, the Trustee shall be instructed by the County to apply amounts on deposit in the applicable account of the Project Fund (as defined in the applicable Indenture) relating to the PID Bonds that are not expected to be used for purposes of the respective Project Fund, to redeem outstanding PID Bonds, unless otherwise directed by the County pursuant to the terms and in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding related PID Bonds.

The Administrator shall update (and submit to the Commissioners Court for review and approval as part of the next Annual Service Plan Update) the Assessment Rolls 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 and other applicable Prepayment Costs, 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 Prepayment Costs: (1) the Administrator shall cause the Assessment to be removed and the Assessment Roll to be revised, according to the following procedures (1) the Prepayment shall be allocated in accordance with the applicable Indenture; and (2) the obligation to pay the Assessment and corresponding Annual Installments shall be terminated and (3) the County shall provide the owner with a recordable Notice of Assessment Termination, a form of which is attached as **Exhibit I**. The Administrator shall prepare the revised Assessment Roll and submit to the Commissioners Court for review and approval as part of the next Annual Service Plan Update.

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 and the partial prepayment shall be allocated in accordance with the applicable Indenture; and (2) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced to the extent of the prepayment made. The Administrator shall prepare the revised Assessment Roll and submit to the Commissioners Court for review and approval as part of the next Annual Service Plan Update.

If a Prepayment, including all applicable Prepayment Costs, is received from a Lot that is subject to more than one Assessment, including property subject to a Major Improvement Area Assessment and an Assessment related to the Improvement Area #1 Bonds, such Prepayment shall be applied as described above on a pro rata basis against each such Assessment levied against such Property unless otherwise directed by the owner making such Prepayment.

#### **F. Prepayment as a Result of Eminent Domain Proceeding or Taking**

Subject to applicable law, if any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed

Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Assessed Property that was taken or transferred (the "Taken Property") shall be reclassified as Non-Benefited Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property), (the "Remaining Property") following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Annual Installments applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable 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 such Maximum Assessment, in which case the Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the County receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the assessment on the Remaining Property.

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres of 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 by \$90 and the Annual Installments adjusted accordingly.

Notwithstanding the previous paragraphs in this subsection (F), if the owner notifies the County and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property 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 (F), 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. **Exhibits E-2, F-2, F-4, F-6, and F-8** show the projected Annual Installments for the Major Improvement Area, Improvement Area G1A, Improvement Area G1B, Improvement Area K1 and Improvement Area P1, respectively. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on any Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment for each relevant Assessment shall be allocated pro rata based on the appropriate Estimated Buildout Value for such Assessment of the property not including any Non-Benefited Property, as shown by the Denton Central Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the Commissioners Court for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated pro rata among Parcels for which the applicable Assessments remain unpaid. Annual Installments shall be reduced by any applicable amounts held under the applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the County in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the County. The Commissioners Court 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 County reserves the right to refund PID Bonds in accordance with Texas law, including the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that the total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The first Annual Installment of the Improvement Area G1A Assessment, Improvement Area G1B Assessment, Improvement Area K1 Assessment, Improvement Area P1 Assessment and the Major Improvement Area Assessment will be delinquent if not paid by February 1, 2026.

## VIII. ASSESSMENT ROLLS

The Major Improvement Area Assessment Roll, Improvement Area G1A Assessment Roll, Improvement Area G1B Assessment Roll, Improvement Area K1 Assessment Roll, and Improvement Area P1 Assessment Roll are attached as **Exhibits E-1, F-1, F-3, F-5, and F-7**, respectively. The Administrator shall prepare and submit to the Commissioners Court, 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.

# IX. ADDITIONAL PROVISIONS

## A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner’s sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1<sup>st</sup> of the year following Commissioners Court approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the Commissioners Court and the owner within 30 days of such referral. The Commissioners Court shall consider the owner’s notice of error and the Administrator’s response at a public hearing, and within the 30 days after closing such hearing, the Commissioners Court shall make a final determination as to whether an error has been made. If the Commissioners Court determines that an error has been made, the Commissioners Court may take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the Assessment Order, or the Indenture, or is otherwise authorized by the discretionary power of the Commissioners Court. The determination by the Commissioners Court as to whether an error has been made, and any corrective action taken by the Commissioners Court, shall be final and binding on the owner and the Administrator.

## B. Amendments

Amendments to this Service and Assessment Plan must be made by the Commissioners Court in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

## C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the Commissioners Court; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the Commissioners Court by owners or developers adversely affected by the interpretation. Appeals shall be decided by the Commissioners Court after holding a public hearing at which all interested parties have an opportunity to be heard. Decisions by the Commissioners Court shall be final and binding on the owners and developers and their successors and assigns.

## D. Form of Homebuyer Disclosure

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the Homebuyer Disclosures for the District. The Homebuyer Disclosures are attached hereto in **Exhibits J-1 through J-16**. Within seven days of

approval by the Commissioners Court, the County shall file and record in the real property records of the County the executed ordinance approving this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in the real property records of the County in its entirety.

**E. Severability**

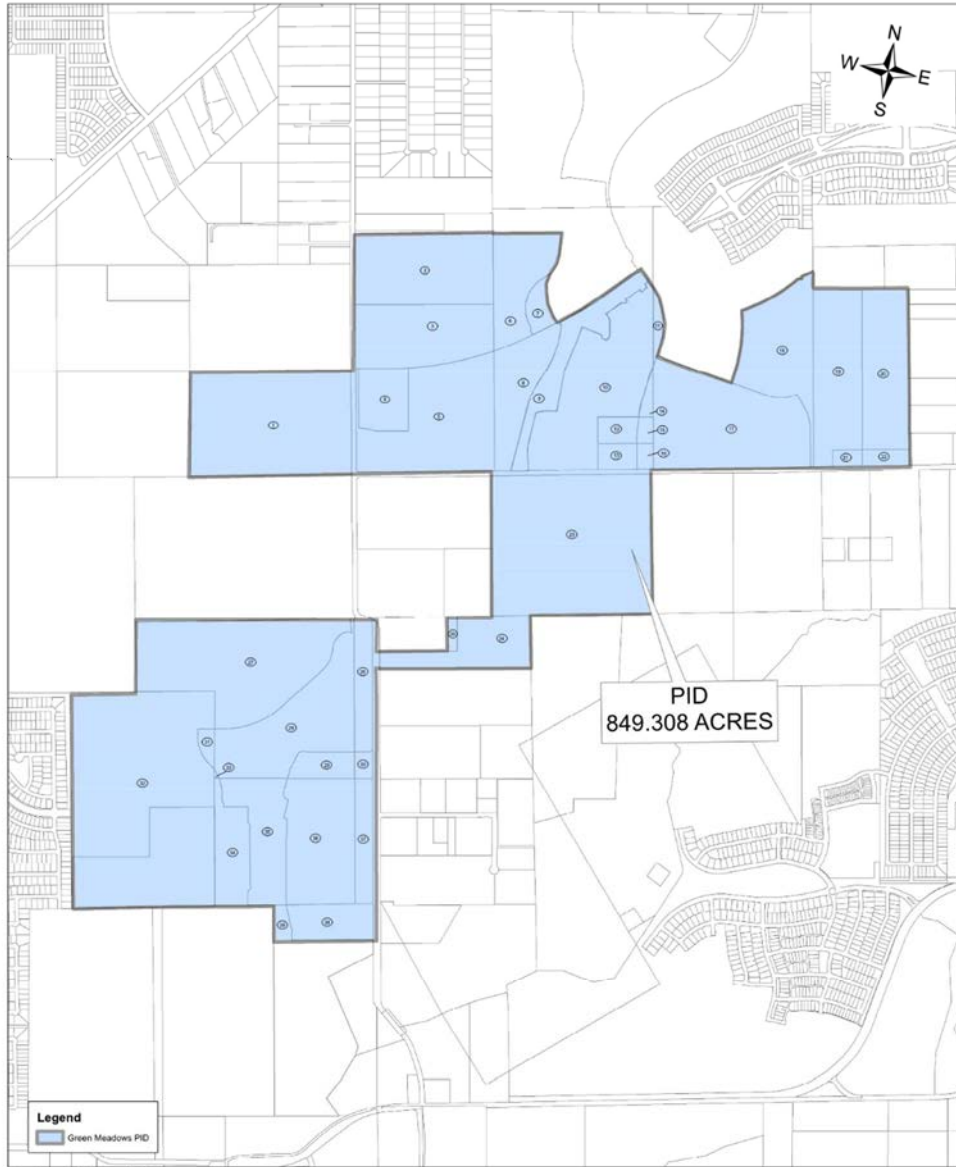
If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

# EXHIBIT A-1

SHEET 1 OF 1

## BOUNDARIES OF THE GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT

DENTON COUNTY  
STATE OF TEXAS



**Legend**  
Green Meadows PID

0 405 810 1,620  
Feet

SMP REFERENCE NUMBER	PROPERTY ID NUMBER	ACRES	SMP REFERENCE NUMBER	PROPERTY ID NUMBER	ACRES	SMP REFERENCE NUMBER	PROPERTY ID NUMBER	ACRES	SMP REFERENCE NUMBER	PROPERTY ID NUMBER	ACRES
1	100000	1.000	11	100000	1.000	21	100000	1.000	31	100000	1.000
2	100001	1.001	12	100001	1.001	22	100001	1.001	32	100001	1.001
3	100002	1.002	13	100002	1.002	23	100002	1.002	33	100002	1.002
4	100003	1.003	14	100003	1.003	24	100003	1.003	34	100003	1.003
5	100004	1.004	15	100004	1.004	25	100004	1.004	35	100004	1.004
6	100005	1.005	16	100005	1.005	26	100005	1.005	36	100005	1.005
7	100006	1.006	17	100006	1.006	27	100006	1.006	37	100006	1.006
8	100007	1.007	18	100007	1.007	28	100007	1.007	38	100007	1.007
9	100008	1.008	19	100008	1.008	29	100008	1.008	39	100008	1.008
10	100009	1.009	20	100009	1.009	30	100009	1.009	40	100009	1.009

**WILLDAN**  
Financial Services  
27368 VIA INDUSTRIAL  
#200  
TEMECULA, CA 92590  
PH: (951) 587-3500

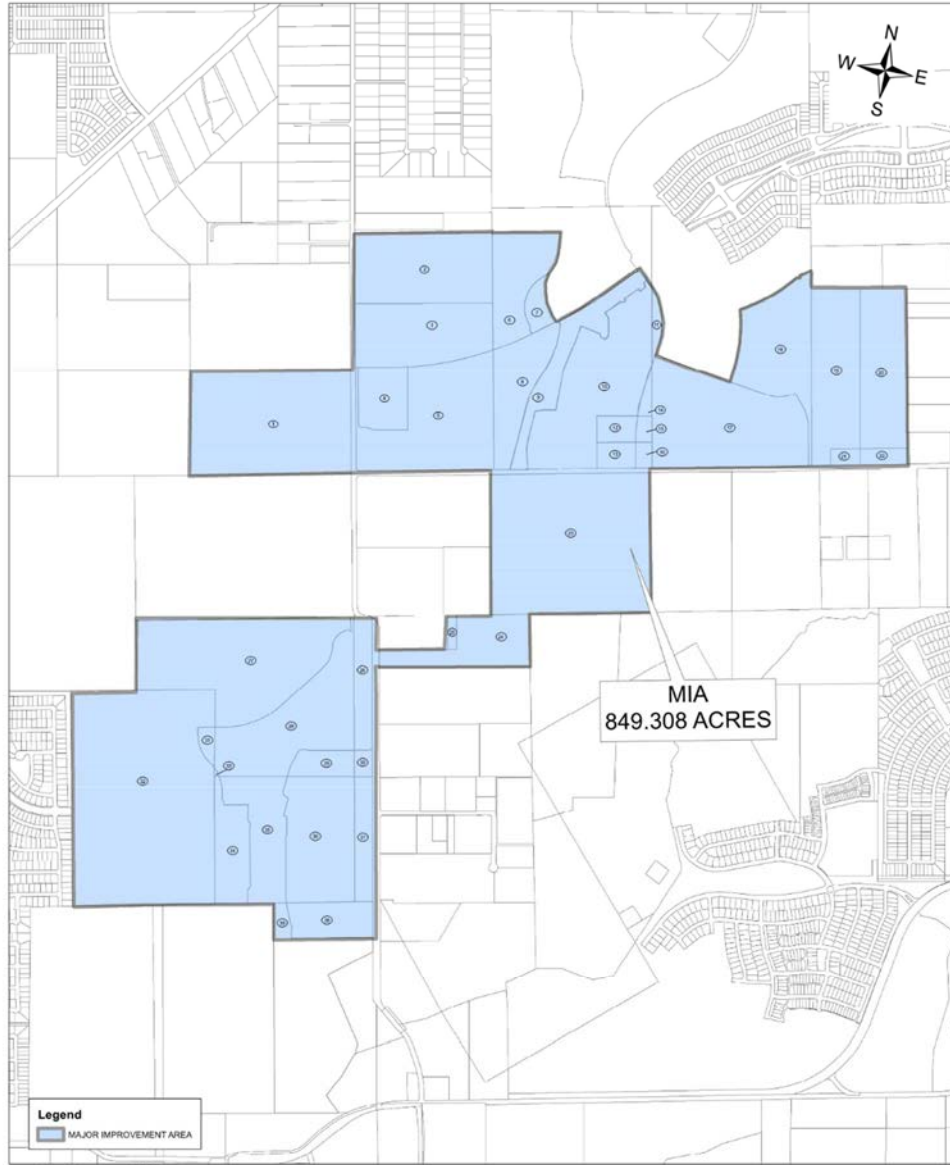


# EXHIBIT A-2

SHEET 1 OF 1

## BOUNDARIES OF THE MAJOR IMPROVEMENT AREA (GREEN MEADOWS)

DENTON COUNTY  
STATE OF TEXAS



MIP REFERENCE NUMBER	PROPERTY ID NUMBER	ACREAGE	MIP REFERENCE NUMBER	PROPERTY ID NUMBER	ACREAGE	MIP REFERENCE NUMBER	PROPERTY ID NUMBER	ACREAGE	MIP REFERENCE NUMBER	PROPERTY ID NUMBER	ACREAGE
1	62495	80.295	11	1039117	1.957	21	102713	1.880	31	102795	1.188
2	64891	84.811	12	10661	3.700	22	10279	2.053	32	102795	108.156
3	1019427	29.433	13	019689	3.657	23	001799	19.852	33	1068211	0.582
4	101995	10.295	14	1039131	1.463	24	102735	18.828	34	106868	13.124
5	1010010	61.719	15	1039132	1.452	25	102731	1.157	35	102795	115.392
6	1019428	6.487	16	1039134	1.513	26	102765	8.198	36	1068655	31.898
7	Portion of 001913	1.261	17	1039135	1.617	27	1068660	34.490	37	102795	1.111
8	1019829	19.076	18	1039139	27.877	28	10007	35.514	38	1068698	10.802
9	1019816	15.267	19	1039141	29.584	29	1068653	0.573	39	Portion of 102795	3.080
10	1062078	43.596	20	1039112	28.890	30	1068654	1.710			

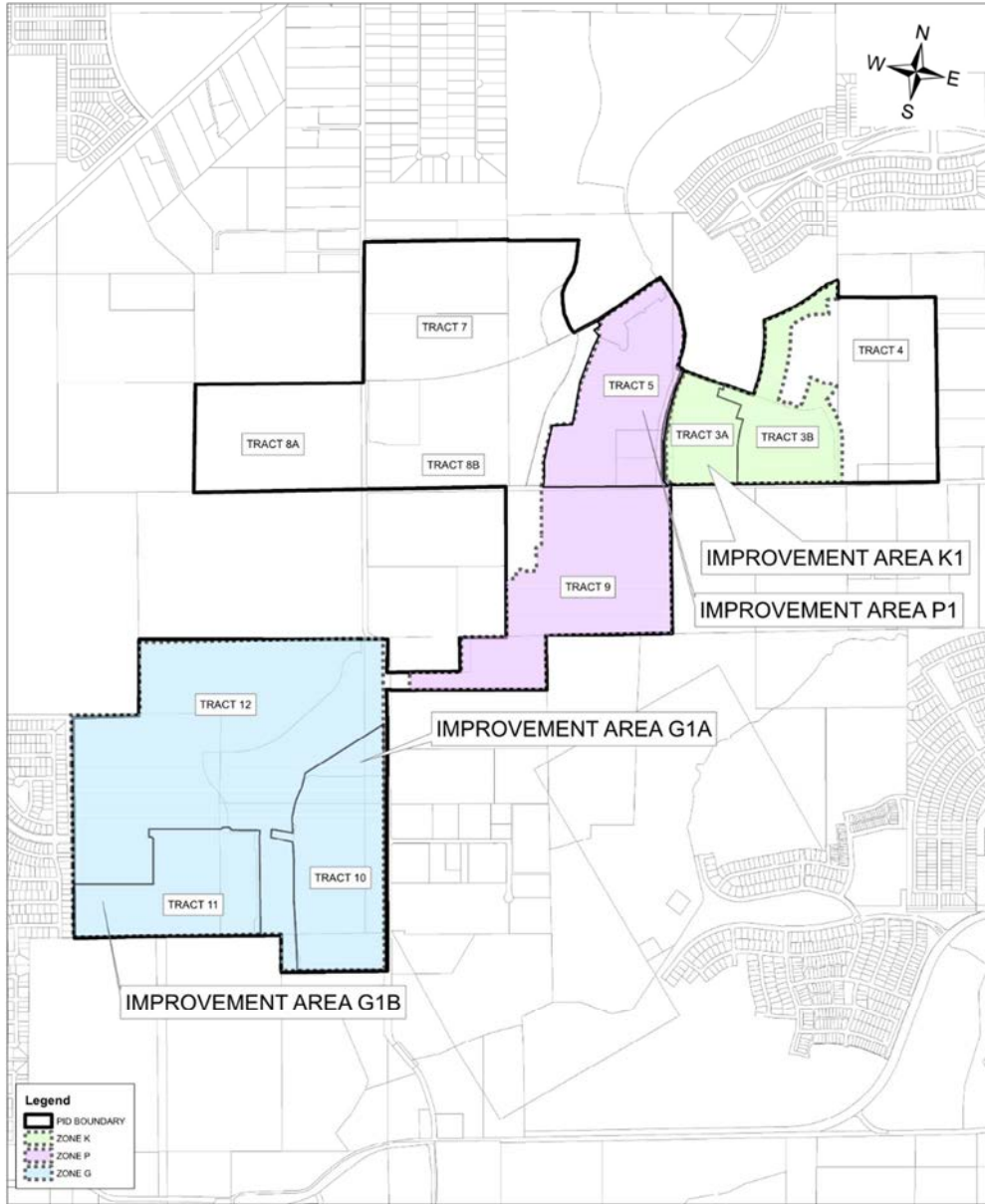
**WILLDAN**  
Financial Services  
27368 VIA INDUSTRIA,  
#200  
TEMECULA, CA 92590  
PH: (951) 587-3500

# EXHIBIT A-3

SHEET 1 OF 1

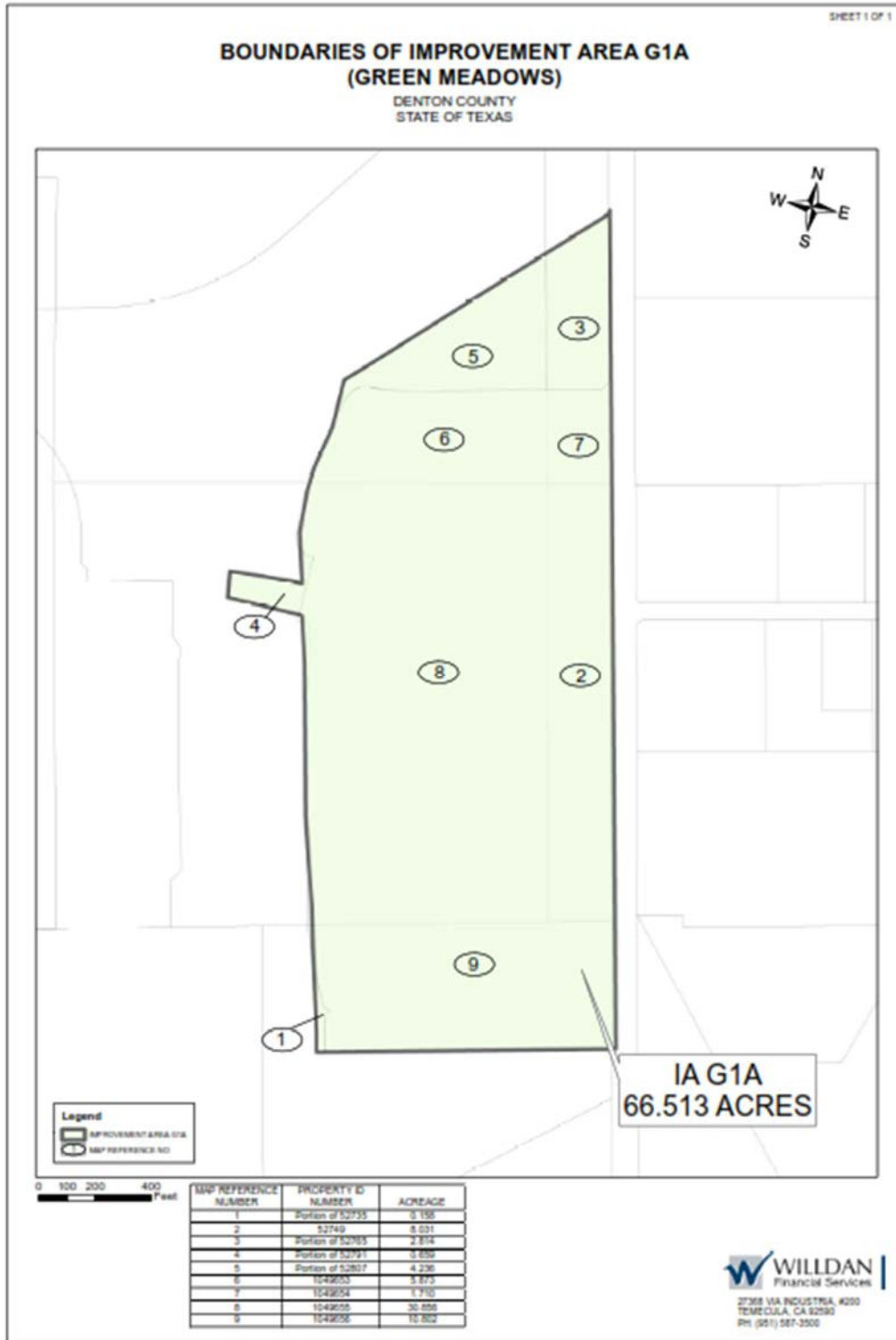
## BOUNDARIES OF ZONES G, P, AND K (GREEN MEADOWS)

DENTON COUNTY  
STATE OF TEXAS

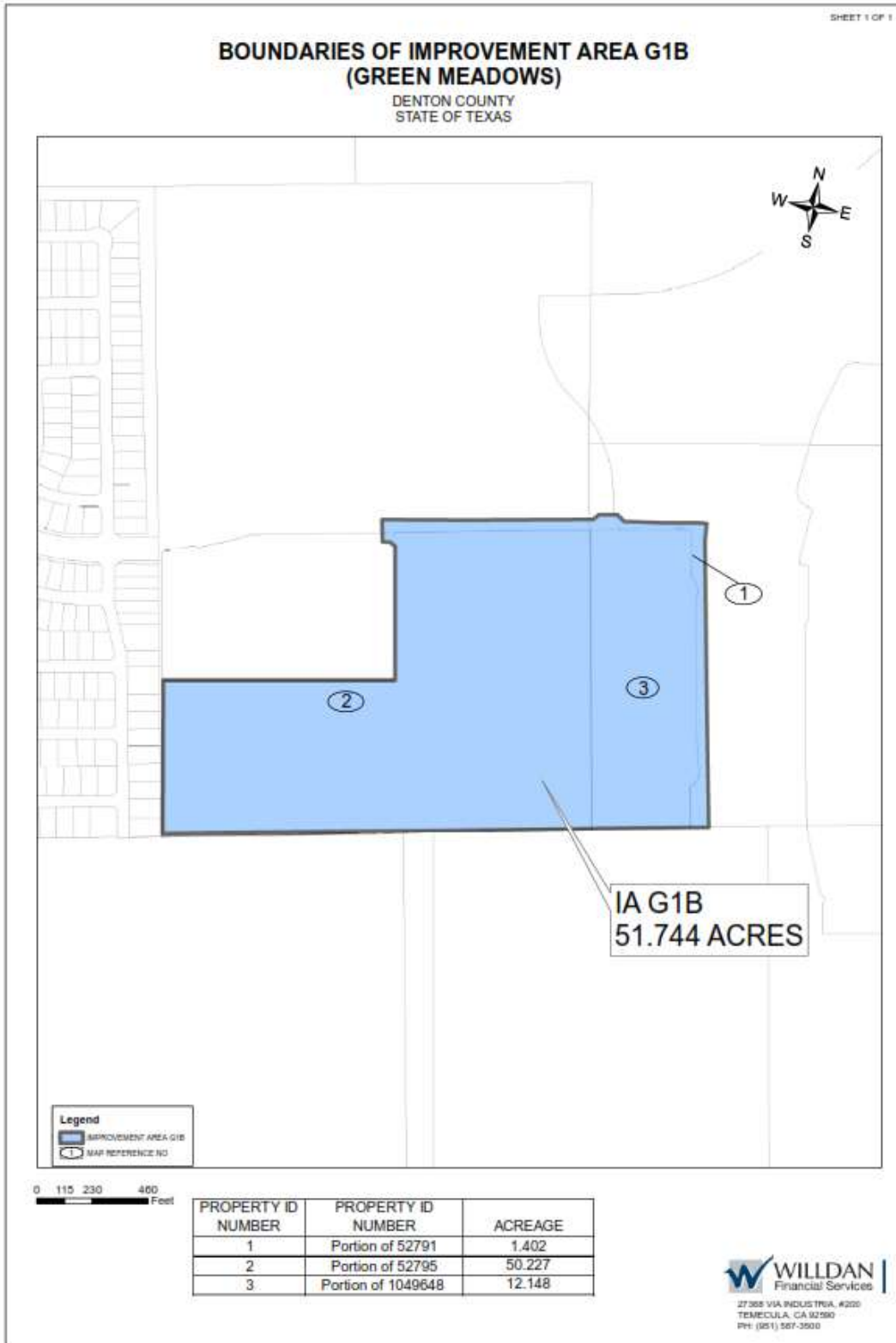


**WILLDAN**  
Financial Services  
27368 VIA INDUSTRIA, #200  
TEMECULA, CA 92590  
PH: (951) 587-3500

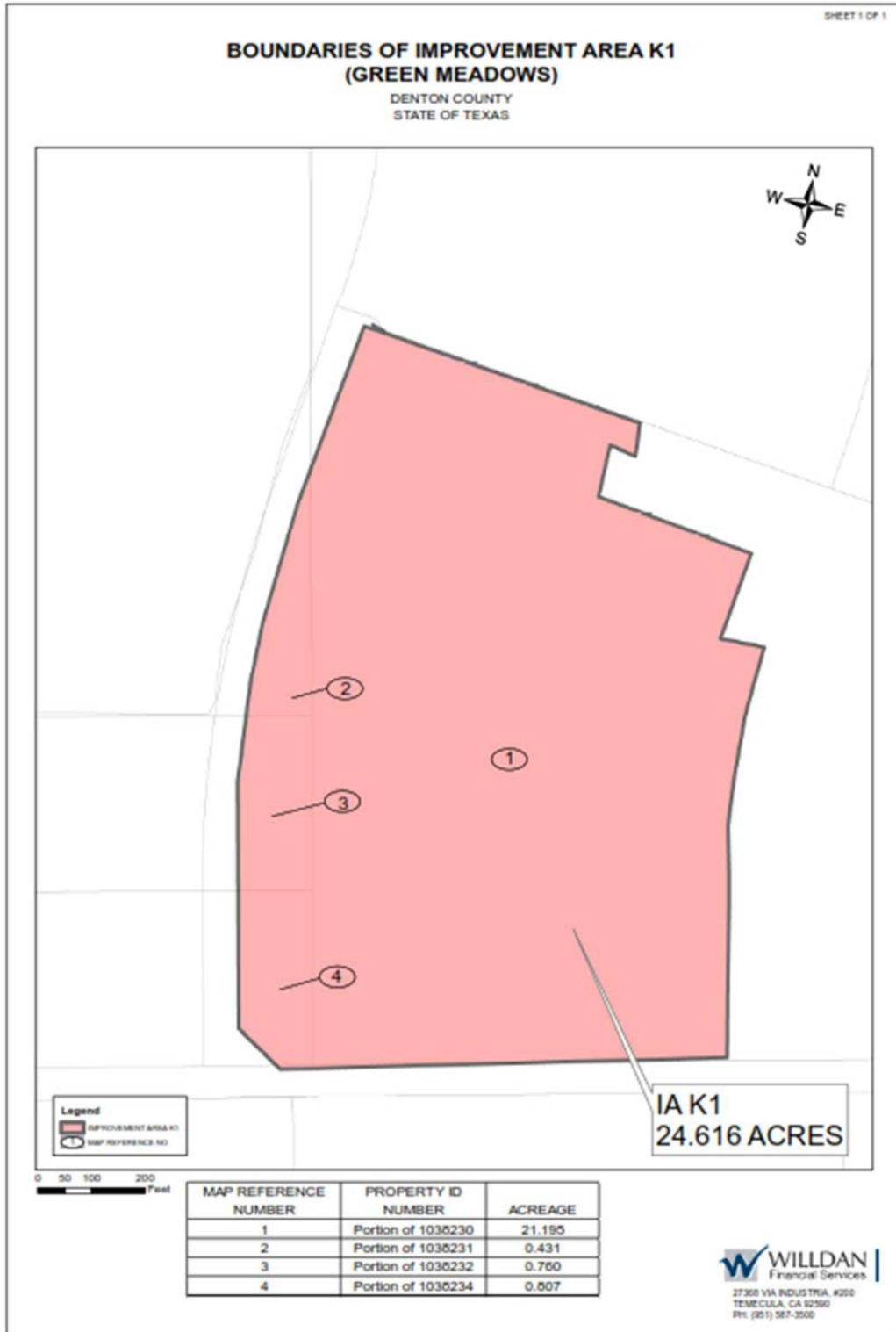
# EXHIBIT A-4



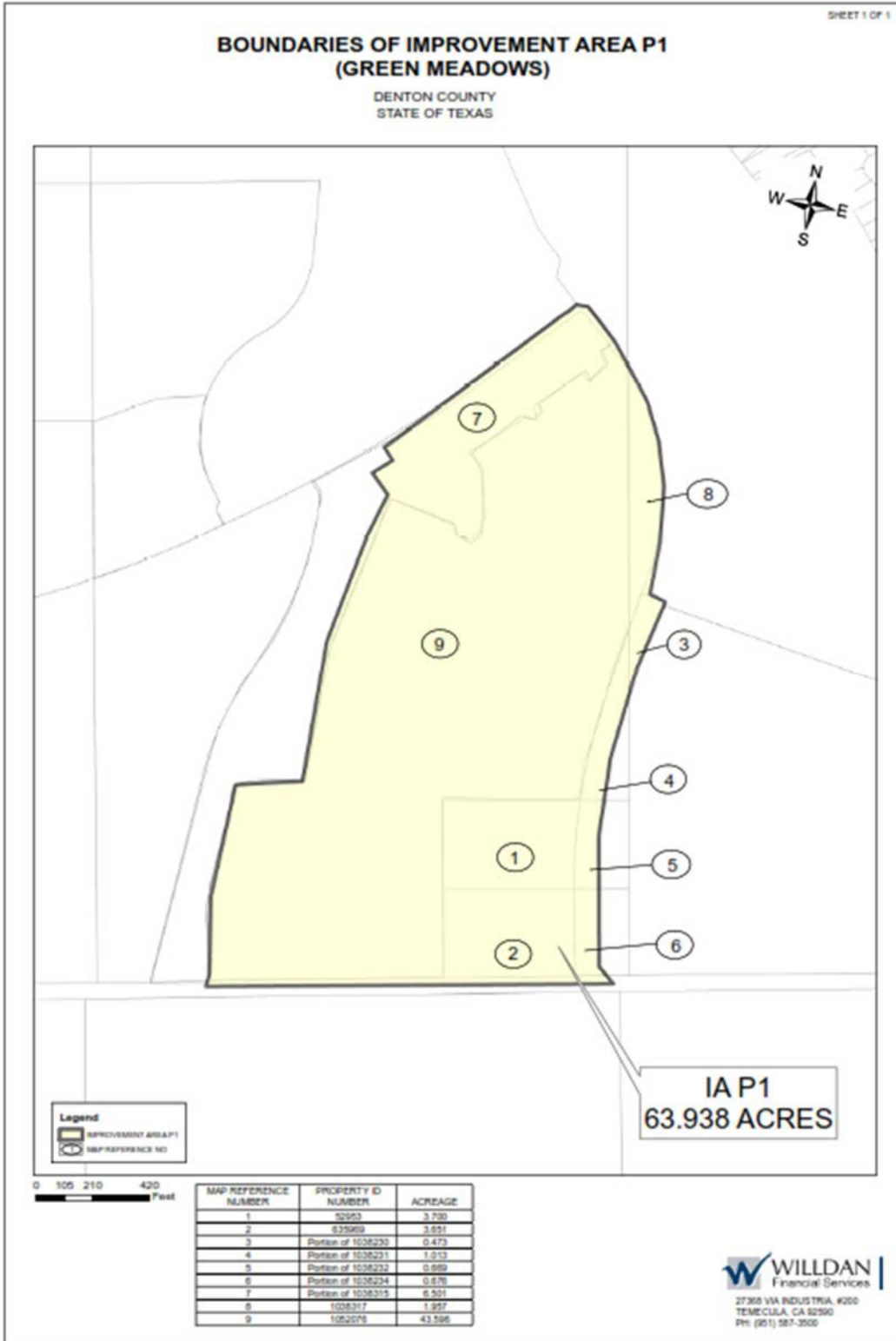
# EXHIBIT A-5



# EXHIBIT A-6



# EXHIBIT A-7



# EXHIBIT B-1

## Major Improvement Area Authorized Improvements

Item	MIA Authorized Improvements <sup>1</sup>
<b>Major Improvements</b>	
Roadway Improvements <sup>2</sup>	\$23,741,626
Water Improvements	4,542,084
Sanitary Sewer	1,484,055
Storm Drainage	9,989,151
Soft and Misc. Costs	14,236,932
District Formation <sup>3</sup>	<u>5,200,000</u>
	\$59,193,847
<b>Bond Issuance Costs <sup>4</sup></b>	
Debt Service Reserve Fund	\$6,651,990
Capitalized Interest	8,909,225
Underwriter's Discount	2,467,170
Other Bond Issuance Costs	<u>4,934,400</u>
	\$22,962,785
<b>Other Costs</b>	
First Year Annual Collection Costs	\$82,500
<b>Total</b>	<b>\$82,239,132</b>

<sup>1</sup> As provided in the Engineer's Report attached hereto as Appendix A. Costs are estimates that will be updated with each Annual Service Plan Update.

<sup>2</sup> Roadway Improvement costs include ROW Acquisition.

<sup>3</sup> Future Improvement Areas will be responsible for additional District Formation Costs as assessments are levied against such phases.

<sup>4</sup> Bond Issuance Costs are preliminary estimates and are subject to change upon pricing.



## EXHIBIT B-2

### Zone G Improvements, Improvement Area G1A Local Improvements, and Improvement Area G1B Local Improvements

Item	Authorized Improvements <sup>1</sup>	Future Zone G Improvement Area					
		Improvement Area G1A		Improvement Area G1B		Future Zone G Improvement Area	
		% Applicable	Amount	% Applicable	Amount	% Applicable	Amount
<b>Zone G Improvements <sup>2</sup></b>							
Roadway Improvements	\$2,432,681	25.03%	\$608,900	20.82%	\$506,484	54.15%	\$1,317,297
Water Improvements	\$184,238	25.03%	\$46,115	20.82%	\$38,358	54.15%	\$99,765
Storm Drainage	\$380,949	25.03%	\$95,351	20.82%	\$79,313	54.15%	\$206,284
Soft and Misc. Costs	<u>\$1,921,365</u>	25.03%	<u>\$480,918</u>	20.82%	<u>\$400,028</u>	54.15%	<u>\$1,040,419</u>
	\$4,919,233		\$1,231,284		\$1,024,184		\$2,663,764
<b>Improvement Area G1A/G1B Local Improvements</b>							
Roadway Improvements <sup>3</sup>	\$8,613,554		\$6,001,668		\$2,611,886		NA
Water Improvements	1,873,906		699,952		1,173,954		NA
Sanitary Sewer	3,239,677		1,443,227		1,796,449		NA
Storm Drainage	3,555,495		1,207,044		2,348,451		NA
Soft and Misc. Costs	5,427,038		3,068,967		2,358,071		0
District Formation <sup>4</sup>	<u>1,525,000</u>		<u>835,000</u>		<u>690,000</u>		<u>0</u>
	\$24,234,670		\$13,255,858		\$10,978,811		\$0
<b>Improvement Area G1A/G1B Local Projects</b>			<b>\$14,487,142</b>		<b>\$12,002,996</b>		
<b>Bond Issuance Costs <sup>5</sup></b>							
Debt Service Reserve Fund	\$2,725,223		\$1,490,720		\$1,234,503		
Capitalized Interest	3,542,429		1,936,400		1,606,029		
Underwriter's Discount	1,085,340		593,280		492,060		
Other Bond Issuance Costs	<u>2,170,800</u>		<u>1,186,620</u>		<u>984,180</u>		
	\$9,523,792		\$5,207,020		\$4,316,772		
<b>Other Costs</b>							
First Year Annual Collection Costs	\$82,500		\$82,500		\$82,500		
<b>Total</b>	<b>\$38,760,194</b>		<b>\$19,776,662</b>		<b>\$16,402,268</b>		<b>\$2,663,764</b>

<sup>1</sup> As provided in the Engineer's Report attached hereto as Appendix A. Costs are estimates that will be updated with each Annual Service Plan Update.

<sup>2</sup> Zone G Improvements allocated to Improvement Area G1A, Improvement Area G1B and Future Zone G Improvement Area based on Estimated Buildout Value.

<sup>3</sup> Roadway Improvement costs include ROW Acquisition.

<sup>4</sup> Future Zone G Improvement Areas will be responsible for additional District Formation Costs as assessments for future improvement areas are levied against such phases.

<sup>5</sup> Bond Issuance Costs are preliminary estimates and are subject to change upon pricing.



# EXHIBIT B-3

## Zone K Improvements and Improvement Area K1 Local Improvements

Item	Authorized Improvements <sup>1</sup>	Future Zone K Improvement Area			
		Improvement Area K1		Area	
		% Applicable	Amount	% Applicable	Amount
<b>Zone K Improvements <sup>2</sup></b>					
Road Improvements	\$2,151,739	42.01%	\$903,946	57.99%	\$1,247,793
Water Improvements	\$258,560	42.01%	\$108,621	57.99%	\$149,939
Storm Drainage	\$312,111	42.01%	\$131,118	57.99%	\$180,993
Soft and Misc. Costs	<u>\$419,920</u>	42.01%	<u>\$176,408</u>	57.99%	<u>\$243,512</u>
	\$3,142,330		\$1,320,093		\$1,822,237
<b>Improvement Area K1 Local Improvements</b>					
Road Improvements	\$1,779,672		\$1,779,672		NA
Water Improvements	617,481		617,481		NA
Sanitary Sewer	623,935		623,935		NA
Storm Drainage	792,765		792,765		NA
Soft and Misc. Costs	1,068,517		1,068,517		NA
District Formation <sup>3</sup>	<u>403,000</u>		<u>403,000</u>		<u>0</u>
	\$7,107,607		\$5,285,370		\$1,822,237
<b>Improvement Area K1 Local Projects</b>			<b>\$6,605,463</b>		
<b>Bond Issuance Costs <sup>4</sup></b>					
Debt Service Reserve Fund	\$675,483		\$675,483		
Capitalized Interest	887,810		887,810		
Underwriter's Discount	272,010		272,010		
Other Bond Issuance Costs	<u>544,080</u>		<u>544,080</u>		
	\$2,379,383		\$2,379,383		
<b>Other Costs</b>					
First Year Annual Collection Costs	\$82,500		\$82,500		
<b>Total</b>	<b>\$12,711,821</b>		<b>\$9,067,346</b>		<b>\$3,644,474</b>

<sup>1</sup> As provided in the Engineer's Report attached hereto as Appendix A. Costs are estimates that will be updated with each Annual Service Plan Update.

<sup>2</sup> Zone K Improvements allocated to Improvement Area K1 and Future Zone K Improvement Area based on Estimated Buildout Value.

<sup>3</sup> Future Zone K Improvement Areas will be responsible for additional District Formation Costs as assessments for future improvement areas are levied against such phases.

<sup>4</sup> Bond Issuance Costs are preliminary estimates and are subject to change upon pricing.

## EXHIBIT B-4

### Zone P Improvements and Improvement Area P1 Local Improvements

Item	Authorized Improvements <sup>1</sup>	Future Zone P Improvement Areas			
		Improvement Area P1		Future Zone P Improvement Areas	
		% Applicable	Amount	% Applicable	Amount
<b>Zone P Improvements <sup>2</sup></b>					
Road Improvements	\$815,411	43.29%	\$352,991	56.71%	\$462,420
Storm Drainage	\$171,172	43.29%	\$74,100	56.71%	\$97,072
Soft and Misc. Costs	<u>\$385,512</u>	43.29%	<u>\$166,888</u>	56.71%	<u>\$218,624</u>
	\$1,372,095		\$593,980		\$778,115
<b>Improvement Area P1 Local Improvements</b>					
Road Improvements	\$5,235,411		\$5,235,411		NA
Water Improvements	1,585,650		1,585,650		NA
Sanitary Sewer	1,609,292		1,609,292		NA
Storm Drainage	1,582,958		1,582,958		NA
Soft and Misc. Costs	2,422,907		2,422,907		NA
District Formation <sup>3</sup>	<u>810,000</u>		<u>810,000</u>		<u>0</u>
	\$13,246,218		\$13,246,218		\$0
<b>Improvement Area P1 Local Projects</b>			<b>\$13,840,198</b>		
<b>Bond Issuance Costs <sup>4</sup></b>					
Debt Service Reserve Fund	\$1,424,019		\$1,424,019		
Capitalized Interest	1,850,331		1,850,331		
Underwriter's Discount	566,910		566,910		
Other Bond Issuance Costs	<u>1,133,880</u>		<u>1,133,880</u>		
	\$4,975,140		\$4,975,140		
<b>Other Costs</b>					
First Year Annual Collection Costs	\$82,500		\$82,500		
<b>Total</b>	<b>\$19,675,953</b>		<b>\$18,897,838</b>		<b>\$778,115</b>

<sup>1</sup> As provided in the Engineer's Report attached hereto as Appendix A. Costs are estimates that will be updated with each Annual Service Plan Update.

<sup>2</sup> Zone P Improvements allocated to Improvement Area P1 and Future Zone P Improvement Areas based on estimated buildout value.

<sup>3</sup> Future Zone P Improvement Areas will be responsible for additional District Formation Costs as assessments for future improvement areas are levied against such phases.

<sup>4</sup> Bond Issuance Costs are preliminary estimates and are subject to change upon pricing.

# EXHIBIT C

## Service Plan

Annual Installments Due	1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
<i>Major Improvement Area Bonds</i>					
Principal	\$0	\$0	\$947,000	\$1,014,000	\$1,084,000
Interest	3,563,690	5,345,535	5,345,535	5,283,980	5,218,070
LESS: Capitalized Interest	<u>(3,563,690)</u>	<u>(5,345,535)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$0	\$0	\$6,292,535	\$6,297,980	\$6,302,070
<i>Annual Collection Costs</i>					
SAP Administration	\$34,500	\$28,000	\$28,560	\$29,131	\$29,714
Trustee Fee	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	\$44,500	\$38,000	\$38,560	\$39,131	\$39,714
LESS: First Year Annual Collection Costs	(\$44,500)	(\$38,000)	\$0	\$0	\$0
Additional Interest	\$0	\$0	\$411,195	\$406,460	\$401,390
<b>Total Annual Installment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,742,290</b>	<b>\$6,743,571</b>	<b>\$6,743,174</b>

Annual Installments Due	1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
<i>Improvement Area GIA Assessment</i>					
Principal	\$0	\$0	\$258,000	\$275,000	\$291,000
Interest	774,560	1,161,840	1,161,840	1,146,683	1,130,526
LESS: Capitalized Interest	<u>(774,560)</u>	<u>(1,161,840)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$0	\$0	\$1,419,840	\$1,421,683	\$1,421,526
<i>Annual Collection Costs</i>					
SAP Administration	\$34,500	\$28,000	\$28,560	\$29,131	\$29,714
Trustee Fee	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	\$44,500	\$38,000	\$38,560	\$39,131	\$39,714
LESS: First Year Annual Collection Costs	(\$44,500)	(\$38,000)	\$0	\$0	\$0
Additional Interest	\$0	\$0	\$98,880	\$97,590	\$96,215
<b>Total Annual Installment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,557,280</b>	<b>\$1,558,404</b>	<b>\$1,557,455</b>

Annual Installments Due	1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
<i>Improvement Area G1B Assessment</i>					
Principal	\$0	\$0	\$215,000	\$229,000	\$243,000
Interest	642,412	963,618	963,618	950,986	937,533
LESS: Capitalized Interest	<u>(642,412)</u>	<u>(963,618)</u>	0	0	0
	\$0	\$0	\$1,178,618	\$1,179,986	\$1,180,533
<i>Annual Collection Costs</i>					
SAP Administration	\$34,500	\$28,000	\$28,560	\$29,131	\$29,714
Trustee Fee	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	\$44,500	\$38,000	\$38,560	\$39,131	\$39,714
LESS: First Year Annual Collection Costs	(\$44,500)	(\$38,000)	\$0	\$0	\$0
Additional Interest	\$0	\$0	\$82,010	\$80,935	\$79,790
<b>Total Annual Installment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,299,188</b>	<b>\$1,300,052</b>	<b>\$1,300,036</b>

Annual Installments Due	1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
<i>Improvement Area K1 Assessment</i>					
Principal	\$0	\$0	\$121,000	\$129,000	\$137,000
Interest	355,124	532,686	532,686	525,578	517,999
LESS: Capitalized Interest	<u>(355,124)</u>	<u>(532,686)</u>	0	0	0
	\$0	\$0	\$653,686	\$654,578	\$654,999
<i>Annual Collection Costs</i>					
SAP Administration	\$34,500	\$28,000	\$28,560	\$29,131	\$29,714
Trustee Fee	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	\$44,500	\$38,000	\$38,560	\$39,131	\$39,714
LESS: First Year Annual Collection Costs	(\$44,500)	(\$38,000)	\$0	\$0	\$0
Additional Interest	\$0	\$0	\$45,335	\$44,730	\$44,085
<b>Total Annual Installment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$737,581</b>	<b>\$738,439</b>	<b>\$738,798</b>

Annual Installments Due	1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
<i>Improvement Area P1 Assessment</i>					
Principal	\$0	\$0	\$246,000	\$263,000	\$279,000
Interest	740,133	1,110,199	1,110,199	1,095,746	1,080,295
LESS: Capitalized Interest	<u>(740,133)</u>	<u>(1,110,199)</u>	<u>0</u>	<u>0</u>	<u>0</u>
	\$0	\$0	\$1,356,199	\$1,358,746	\$1,359,295
<i>Annual Collection Costs</i>					
SAP Administration	\$34,500	\$28,000	\$28,560	\$29,131	\$29,714
Trustee Fee	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	\$44,500	\$38,000	\$38,560	\$39,131	\$39,714
LESS: First Year Annual Collection Costs	(\$44,500)	(\$38,000)	\$0	\$0	\$0
Additional Interest	\$0	\$0	\$94,485	\$93,255	\$91,940
<b>Total Annual Installment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,489,244</b>	<b>\$1,491,132</b>	<b>\$1,490,949</b>

## EXHIBIT D-1

### MIA Sources and Uses

Sources of Funds	Total
Bond Par Amount	\$82,239,000
<b>Total Sources</b>	<b>\$82,239,000</b>

Uses of Funds	Total
<b>Major Improvement Area Improvements</b>	\$59,193,715
<b>Bond Issuance Costs</b>	
Reserve Fund	\$6,651,990
Capitalized Interest	8,909,225
Underwriters Discount	2,467,170
Other Bond Issuance Costs	4,934,400
First Year Annual Collection Costs	82,500
<i>Subtotal</i>	\$23,045,285
<b>Total Uses</b>	<b>\$82,239,000</b>

*Note: The Developer will be responsible for paying any portion of the costs of the Major Improvement Area Authorized Improvements, as reflected in Exhibit B-1, not paid from the proceeds of the Major Improvement Area Bonds without reimbursement from the County.*



## EXHIBIT D-2

### IA#1 Sources and Uses

Sources of Funds	IA G1A Assessment	IA G1B Assessment	IA K1 Assessment	IA P1 Assessment	Total
IA #1 Bonds Par Amount	\$19,776,000	\$16,402,000	\$9,067,000	\$18,897,000	\$64,142,000
<b>Total Sources</b>	<b>\$19,776,000</b>	<b>\$16,402,000</b>	<b>\$9,067,000</b>	<b>\$18,897,000</b>	<b>\$64,142,000</b>

Uses of Funds	Total				
<b>Local Improvements</b>	\$13,255,196	\$10,978,544	\$5,285,024	\$13,245,380	\$42,764,143
<b>Zone Improvements<sup>1</sup></b>	1,231,284	1,024,184	1,320,093	593,980	4,169,541
<i>Subtotal</i>	<i>\$14,486,480</i>	<i>\$12,002,728</i>	<i>\$6,605,117</i>	<i>\$13,839,360</i>	<i>\$46,933,684</i>
<b>Bond Issuance Costs</b>					
Reserve Fund	\$1,490,720	\$1,234,503	\$675,483	\$1,424,019	\$4,824,725
Capitalized Interest	1,936,400	1,606,029	887,810	1,850,331	6,280,571
Underwriters Discount	593,280	492,060	272,010	566,910	1,924,260
Other Bond Issuance Costs	1,186,620	984,180	544,080	1,133,880	3,848,760
First Year Annual Collection Costs	82,500	82,500	82,500	82,500	330,000
<i>Subtotal</i>	<i>\$5,289,520</i>	<i>\$4,399,272</i>	<i>\$2,461,883</i>	<i>\$5,057,640</i>	<i>\$17,208,316</i>
<b>Total Uses</b>	<b>\$19,776,000</b>	<b>\$16,402,000</b>	<b>\$9,067,000</b>	<b>\$18,897,000</b>	<b>\$64,142,000</b>

*Note: The Developer will be responsible for paying any portion of the costs of the Improvement Area #1 Authorized Improvements, as reflected in Exhibits B-2, B-3 and B-4, as applicable, not paid from the proceeds of the Improvement Area #1 Bonds without reimbursement from the County.*

<sup>1</sup> *Reflects Zone G Improvements for IAs G1A and G1B, Zone K Improvements for IA K1, and Zone P Improvements for IA P1.*

## EXHIBIT E-1

### Major Improvement Area Assessment Roll

Property ID	MIA Outstanding Assessment
52585	\$6,763,063.51
52734	1,981,052.18
52749	422,428.65
52765	190,746.02
52795	37,463.75
52795	6,969,184.62
52795	4,968,852.81
52807	1,102,170.58
52887	4,841,729.55
52953	530,096.32
178533	66,105.70
287299	9,079,339.42
635969	502,437.97
1035907	3,107,083.41
1035908	570,720.25
1035910	3,816,345.49
1038309	1,976,889.91
1038310	3,694,041.34
1038312	2,654,130.42
1038315	412,101.20
1038317	337,173.71
1049648	751,451.50
1049650	6,830,503.97
1049653	526,623.45
1049654	202,682.43
1049655	3,854,670.38
1049656	1,614,070.62
1052076	6,715,101.42
1054841	1,463,147.22
1054842	2,977,446.09
1054842	3,017,899.89
1054844	149,854.98
1054845	112,391.24
<b>Total</b>	<b>\$82,239,000.00</b>



# EXHIBIT E-2

## Major Improvement Area Annual Installments

Installments Due 1/31				Annual Collection Costs			Additional Interest *	Total Installment
	Principal	Interest	Capitalized Interest	First Year Annual Collection Costs	SAP Admin	Trustee		
2025	\$0	\$3,563,690	(\$3,563,690)	(\$44,500)	\$34,500	\$10,000	\$0	\$0
2026	\$0	\$5,345,535	(\$5,345,535)	(\$38,000)	\$28,000	\$10,000	\$0	\$0
2027	\$947,000	\$5,345,535	\$0	\$0	\$28,560	\$10,000	\$411,195	\$6,742,290
2028	\$1,014,000	\$5,283,980	\$0	\$0	\$29,131	\$10,000	\$406,460	\$6,743,571
2029	\$1,084,000	\$5,218,070	\$0	\$0	\$29,714	\$10,000	\$401,390	\$6,743,174
2030	\$1,159,000	\$5,147,610	\$0	\$0	\$30,308	\$10,000	\$395,970	\$6,742,888
2031	\$1,240,000	\$5,072,275	\$0	\$0	\$30,914	\$10,000	\$390,175	\$6,743,364
2032	\$1,326,000	\$4,991,675	\$0	\$0	\$31,533	\$10,000	\$383,975	\$6,743,183
2033	\$1,418,000	\$4,905,485	\$0	\$0	\$32,163	\$10,000	\$377,345	\$6,742,993
2034	\$1,517,000	\$4,813,315	\$0	\$0	\$32,806	\$10,000	\$370,255	\$6,743,376
2035	\$1,622,000	\$4,714,710	\$0	\$0	\$33,463	\$10,000	\$362,670	\$6,742,843
2036	\$1,735,000	\$4,609,280	\$0	\$0	\$34,132	\$10,000	\$354,560	\$6,742,972
2037	\$1,856,000	\$4,496,505	\$0	\$0	\$34,814	\$10,000	\$345,885	\$6,743,204
2038	\$1,985,000	\$4,375,865	\$0	\$0	\$35,511	\$10,000	\$336,605	\$6,742,981
2039	\$2,124,000	\$4,246,840	\$0	\$0	\$36,221	\$10,000	\$326,680	\$6,743,741
2040	\$2,272,000	\$4,108,780	\$0	\$0	\$36,945	\$10,000	\$316,060	\$6,743,785
2041	\$2,430,000	\$3,961,100	\$0	\$0	\$37,684	\$10,000	\$304,700	\$6,743,484
2042	\$2,599,000	\$3,803,150	\$0	\$0	\$38,438	\$10,000	\$292,550	\$6,743,138
2043	\$2,780,000	\$3,634,215	\$0	\$0	\$39,207	\$10,000	\$279,555	\$6,742,977
2044	\$2,974,000	\$3,453,515	\$0	\$0	\$39,991	\$10,000	\$265,655	\$6,743,161
2045	\$3,182,000	\$3,260,205	\$0	\$0	\$40,791	\$10,000	\$250,785	\$6,743,781
2046	\$3,403,000	\$3,053,375	\$0	\$0	\$41,607	\$10,000	\$234,875	\$6,742,857
2047	\$3,641,000	\$2,832,180	\$0	\$0	\$42,439	\$10,000	\$217,860	\$6,743,479
2048	\$3,895,000	\$2,595,515	\$0	\$0	\$43,287	\$10,000	\$199,655	\$6,743,457
2049	\$4,167,000	\$2,342,340	\$0	\$0	\$44,153	\$10,000	\$180,180	\$6,743,673
2050	\$4,457,000	\$2,071,485	\$0	\$0	\$45,036	\$10,000	\$159,345	\$6,742,866
2051	\$4,769,000	\$1,781,780	\$0	\$0	\$45,937	\$10,000	\$137,060	\$6,743,777
2052	\$5,101,000	\$1,471,795	\$0	\$0	\$46,856	\$10,000	\$113,215	\$6,742,866
2053	\$5,457,000	\$1,140,230	\$0	\$0	\$47,793	\$10,000	\$87,710	\$6,742,733
2054	\$5,839,000	\$785,525	\$0	\$0	\$48,749	\$10,000	\$60,425	\$6,743,699
2055	\$6,246,000	\$405,990	\$0	\$0	\$49,724	\$10,000	\$31,230	\$6,742,944
<b>Total</b>	<b>\$82,239,000</b>	<b>\$112,831,550</b>	<b>(\$8,909,225)</b>	<b>(\$82,500)</b>	<b>\$1,170,406</b>	<b>\$310,000</b>	<b>\$7,994,025</b>	<b>\$195,553,256</b>

\* Equal to 0.5% of outstanding principal.

# EXHIBIT F-1

## Improvement Area G1A Assessment Roll

Property ID	IA G1A Outstanding Assessment
52749	\$1,220,939.07
52765	546,209.59
1049653	1,526,173.84
1049654	562,274.57
1049655	11,325,816.41
1049656	4,594,586.52
<b>Total</b>	<b>\$19,776,000.00</b>

# EXHIBIT F-2

## Improvement Area G1A Annual Installments

Installments Due 1/31	Principal	Interest	Capitalized Interest	First Year Annual Collection Costs	Annual Collection Costs			Total Installment
					SAP Admin	Trustee	Additional Interest *	
2025	\$0	\$774,560	(\$774,560)	(\$44,500)	\$34,500	\$10,000	\$0	\$0
2026	\$0	\$1,161,840	(\$1,161,840)	(\$38,000)	\$28,000	\$10,000	\$0	\$0
2027	\$258,000	\$1,161,840	\$0	\$0	\$28,560	\$10,000	\$98,880	\$1,557,280
2028	\$275,000	\$1,146,683	\$0	\$0	\$29,131	\$10,000	\$97,590	\$1,558,404
2029	\$291,000	\$1,130,526	\$0	\$0	\$29,714	\$10,000	\$96,215	\$1,557,455
2030	\$309,000	\$1,113,430	\$0	\$0	\$30,308	\$10,000	\$94,760	\$1,557,498
2031	\$329,000	\$1,095,276	\$0	\$0	\$30,914	\$10,000	\$93,215	\$1,558,406
2032	\$349,000	\$1,075,948	\$0	\$0	\$31,533	\$10,000	\$91,570	\$1,558,050
2033	\$371,000	\$1,055,444	\$0	\$0	\$32,163	\$10,000	\$89,825	\$1,558,432
2034	\$393,000	\$1,033,648	\$0	\$0	\$32,806	\$10,000	\$87,970	\$1,557,424
2035	\$418,000	\$1,010,559	\$0	\$0	\$33,463	\$10,000	\$86,005	\$1,558,026
2036	\$444,000	\$986,001	\$0	\$0	\$34,132	\$10,000	\$83,915	\$1,558,048
2037	\$471,000	\$959,916	\$0	\$0	\$34,814	\$10,000	\$81,695	\$1,557,426
2038	\$501,000	\$932,245	\$0	\$0	\$35,511	\$10,000	\$79,340	\$1,558,096
2039	\$532,000	\$902,811	\$0	\$0	\$36,221	\$10,000	\$76,835	\$1,557,867
2040	\$565,000	\$871,556	\$0	\$0	\$36,945	\$10,000	\$74,175	\$1,557,677
2041	\$601,000	\$838,363	\$0	\$0	\$37,684	\$10,000	\$71,350	\$1,558,397
2042	\$638,000	\$803,054	\$0	\$0	\$38,438	\$10,000	\$68,345	\$1,557,837
2043	\$678,000	\$765,571	\$0	\$0	\$39,207	\$10,000	\$65,155	\$1,557,933
2044	\$720,000	\$725,739	\$0	\$0	\$39,991	\$10,000	\$61,765	\$1,557,495
2045	\$766,000	\$683,439	\$0	\$0	\$40,791	\$10,000	\$58,165	\$1,558,394
2046	\$813,000	\$638,436	\$0	\$0	\$41,607	\$10,000	\$54,335	\$1,557,378
2047	\$865,000	\$590,673	\$0	\$0	\$42,439	\$10,000	\$50,270	\$1,558,381
2048	\$919,000	\$539,854	\$0	\$0	\$43,287	\$10,000	\$45,945	\$1,558,086
2049	\$977,000	\$485,863	\$0	\$0	\$44,153	\$10,000	\$41,350	\$1,558,366
2050	\$1,038,000	\$428,464	\$0	\$0	\$45,036	\$10,000	\$36,465	\$1,557,965
2051	\$1,103,000	\$367,481	\$0	\$0	\$45,937	\$10,000	\$31,275	\$1,557,693
2052	\$1,173,000	\$302,680	\$0	\$0	\$46,856	\$10,000	\$25,760	\$1,558,296
2053	\$1,246,000	\$233,766	\$0	\$0	\$47,793	\$10,000	\$19,895	\$1,557,454
2054	\$1,325,000	\$160,564	\$0	\$0	\$48,749	\$10,000	\$13,665	\$1,557,977
2055	\$1,408,000	\$82,720	\$0	\$0	\$49,724	\$10,000	\$7,040	\$1,557,484
<b>Total</b>	<b>\$19,776,000</b>	<b>\$24,058,948</b>	<b>(\$1,936,400)</b>	<b>(\$82,500)</b>	<b>\$1,170,406</b>	<b>\$310,000</b>	<b>\$1,882,770</b>	<b>\$45,179,224</b>

\* Equal to 0.5% of outstanding principal.

# EXHIBIT F-3

## Improvement Area G1B Assessment Roll

Property ID	IA G1B Outstanding Assessment
52795	\$14,175,556.64
1049648	2,226,443.36
<b>Total</b>	<b>\$16,402,000.00</b>

## EXHIBIT F-4

### Improvement Area G1B Annual Installments

Installments Due 1/31	Principal	Interest	Capitalized Interest	First Year Annual Collection Costs	Annual Collection Costs			Total Installment
					SAP Admin	Trustee	Additional Interest *	
2025	\$0	\$642,412	(\$642,412)	(\$44,500)	\$34,500	\$10,000	\$0	\$0
2026	\$0	\$963,618	(\$963,618)	(\$38,000)	\$28,000	\$10,000	\$0	\$0
2027	\$215,000	\$963,618	\$0	\$0	\$28,560	\$10,000	\$82,010	\$1,299,188
2028	\$229,000	\$950,986	\$0	\$0	\$29,131	\$10,000	\$80,935	\$1,300,052
2029	\$243,000	\$937,533	\$0	\$0	\$29,714	\$10,000	\$79,790	\$1,300,036
2030	\$258,000	\$923,256	\$0	\$0	\$30,308	\$10,000	\$78,575	\$1,300,139
2031	\$274,000	\$908,099	\$0	\$0	\$30,914	\$10,000	\$77,285	\$1,300,298
2032	\$290,000	\$892,001	\$0	\$0	\$31,533	\$10,000	\$75,915	\$1,299,449
2033	\$308,000	\$874,964	\$0	\$0	\$32,163	\$10,000	\$74,465	\$1,299,592
2034	\$327,000	\$856,869	\$0	\$0	\$32,806	\$10,000	\$72,925	\$1,299,600
2035	\$347,000	\$837,658	\$0	\$0	\$33,463	\$10,000	\$71,290	\$1,299,410
2036	\$369,000	\$817,271	\$0	\$0	\$34,132	\$10,000	\$69,555	\$1,299,958
2037	\$392,000	\$795,593	\$0	\$0	\$34,814	\$10,000	\$67,710	\$1,300,117
2038	\$416,000	\$772,563	\$0	\$0	\$35,511	\$10,000	\$65,750	\$1,299,823
2039	\$442,000	\$748,123	\$0	\$0	\$36,221	\$10,000	\$63,670	\$1,300,013
2040	\$469,000	\$722,155	\$0	\$0	\$36,945	\$10,000	\$61,460	\$1,299,560
2041	\$499,000	\$694,601	\$0	\$0	\$37,684	\$10,000	\$59,115	\$1,300,401
2042	\$529,000	\$665,285	\$0	\$0	\$38,438	\$10,000	\$56,620	\$1,299,343
2043	\$562,000	\$634,206	\$0	\$0	\$39,207	\$10,000	\$53,975	\$1,299,388
2044	\$597,000	\$601,189	\$0	\$0	\$39,991	\$10,000	\$51,165	\$1,299,345
2045	\$635,000	\$566,115	\$0	\$0	\$40,791	\$10,000	\$48,180	\$1,300,086
2046	\$674,000	\$528,809	\$0	\$0	\$41,607	\$10,000	\$45,005	\$1,299,420
2047	\$717,000	\$489,211	\$0	\$0	\$42,439	\$10,000	\$41,635	\$1,300,285
2048	\$761,000	\$447,088	\$0	\$0	\$43,287	\$10,000	\$38,050	\$1,299,425
2049	\$809,000	\$402,379	\$0	\$0	\$44,153	\$10,000	\$34,245	\$1,299,777
2050	\$860,000	\$354,850	\$0	\$0	\$45,036	\$10,000	\$30,200	\$1,300,086
2051	\$914,000	\$304,325	\$0	\$0	\$45,937	\$10,000	\$25,900	\$1,300,162
2052	\$971,000	\$250,628	\$0	\$0	\$46,856	\$10,000	\$21,330	\$1,299,813
2053	\$1,032,000	\$193,581	\$0	\$0	\$47,793	\$10,000	\$16,475	\$1,299,849
2054	\$1,097,000	\$132,951	\$0	\$0	\$48,749	\$10,000	\$11,315	\$1,300,015
2055	\$1,166,000	\$68,503	\$0	\$0	\$49,724	\$10,000	\$5,830	\$1,300,056
<b>Total</b>	<b>\$16,402,000</b>	<b>\$19,940,435</b>	<b>(\$1,606,029)</b>	<b>(\$82,500)</b>	<b>\$1,170,406</b>	<b>\$310,000</b>	<b>\$1,560,375</b>	<b>\$37,694,687</b>

\* Equal to 0.5% of outstanding principal.



# EXHIBIT F-5

## Improvement Area K1 Assessment Roll

Property ID	IA K1 Outstanding Assessment
1054842	\$8,329,862.61
1054844	421,221.37
1054845	315,916.02
<b>Total</b>	<b>\$9,067,000.00</b>

# EXHIBIT F-6

## Improvement Area K1 Annual Installments

Installments Due 1/31	Principal	Interest	Capitalized Interest	First Year Annual Collection Costs	Annual Collection Costs		Additional Interest *	Total Installment
					SAP Admin	Trustee		
2025	\$0	\$355,124	(\$355,124)	(\$44,500)	\$34,500	\$10,000	\$0	\$0
2026	\$0	\$532,686	(\$532,686)	(\$38,000)	\$28,000	\$10,000	\$0	\$0
2027	\$121,000	\$532,686	\$0	\$0	\$28,560	\$10,000	\$45,335	\$737,581
2028	\$129,000	\$525,578	\$0	\$0	\$29,131	\$10,000	\$44,730	\$738,439
2029	\$137,000	\$517,999	\$0	\$0	\$29,714	\$10,000	\$44,085	\$738,798
2030	\$145,000	\$509,950	\$0	\$0	\$30,308	\$10,000	\$43,400	\$738,658
2031	\$154,000	\$501,431	\$0	\$0	\$30,914	\$10,000	\$42,675	\$739,021
2032	\$163,000	\$492,384	\$0	\$0	\$31,533	\$10,000	\$41,905	\$738,821
2033	\$173,000	\$482,808	\$0	\$0	\$32,163	\$10,000	\$41,090	\$739,061
2034	\$183,000	\$472,644	\$0	\$0	\$32,806	\$10,000	\$40,225	\$738,675
2035	\$194,000	\$461,893	\$0	\$0	\$33,463	\$10,000	\$39,310	\$738,665
2036	\$206,000	\$450,495	\$0	\$0	\$34,132	\$10,000	\$38,340	\$738,967
2037	\$218,000	\$438,393	\$0	\$0	\$34,814	\$10,000	\$37,310	\$738,517
2038	\$232,000	\$425,585	\$0	\$0	\$35,511	\$10,000	\$36,220	\$739,316
2039	\$246,000	\$411,955	\$0	\$0	\$36,221	\$10,000	\$35,060	\$739,236
2040	\$261,000	\$397,503	\$0	\$0	\$36,945	\$10,000	\$33,830	\$739,278
2041	\$276,000	\$382,169	\$0	\$0	\$37,684	\$10,000	\$32,525	\$738,378
2042	\$293,000	\$365,954	\$0	\$0	\$38,438	\$10,000	\$31,145	\$738,537
2043	\$311,000	\$348,740	\$0	\$0	\$39,207	\$10,000	\$29,680	\$738,627
2044	\$330,000	\$330,469	\$0	\$0	\$39,991	\$10,000	\$28,125	\$738,585
2045	\$351,000	\$311,081	\$0	\$0	\$40,791	\$10,000	\$26,475	\$739,347
2046	\$372,000	\$290,460	\$0	\$0	\$41,607	\$10,000	\$24,720	\$738,787
2047	\$395,000	\$268,605	\$0	\$0	\$42,439	\$10,000	\$22,860	\$738,904
2048	\$419,000	\$245,399	\$0	\$0	\$43,287	\$10,000	\$20,885	\$738,571
2049	\$445,000	\$220,783	\$0	\$0	\$44,153	\$10,000	\$18,790	\$738,726
2050	\$473,000	\$194,639	\$0	\$0	\$45,036	\$10,000	\$16,565	\$739,240
2051	\$502,000	\$166,850	\$0	\$0	\$45,937	\$10,000	\$14,200	\$738,987
2052	\$533,000	\$137,358	\$0	\$0	\$46,856	\$10,000	\$11,690	\$738,903
2053	\$566,000	\$106,044	\$0	\$0	\$47,793	\$10,000	\$9,025	\$738,862
2054	\$601,000	\$72,791	\$0	\$0	\$48,749	\$10,000	\$6,195	\$738,735
2055	\$638,000	\$37,483	\$0	\$0	\$49,724	\$10,000	\$3,190	\$738,396
<b>Total</b>	<b>\$9,067,000</b>	<b>\$10,987,934</b>	<b>(\$887,810)</b>	<b>(\$82,500)</b>	<b>\$1,170,406</b>	<b>\$310,000</b>	<b>\$859,585</b>	<b>\$21,424,615</b>

\* Equal to 0.5% of outstanding principal.

## EXHIBIT F-7

### Improvement Area P1 Assessment Roll

Property ID	IA P1 Outstanding Assessment
52953	\$1,162,859.72
635969	1,063,307.07
1038315	856,258.73
1038317	700,575.32
1052076	15,113,999.16
<b>Total</b>	<b>\$18,897,000.00</b>



## EXHIBIT F-8

### Improvement Area P1 Annual Installments

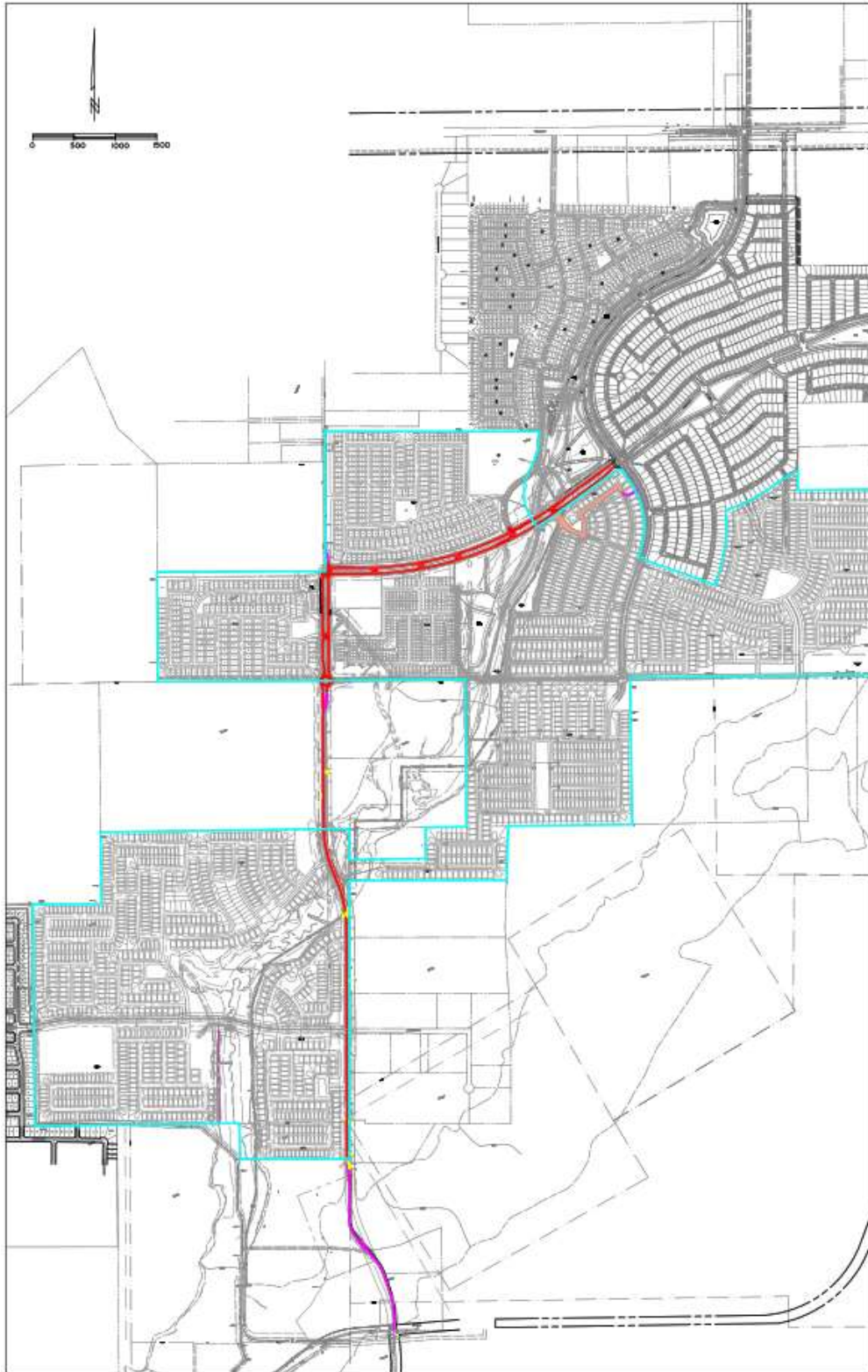
Installments Due 1/31	Principal	Interest	Capitalized Interest	First Year Annual Collection Costs	Annual Collection Costs		Additional Interest *	Total Installment
					SAP Admin	Trustee		
2025	\$0	\$740,133	(\$740,133)	(\$44,500)	\$34,500	\$10,000	\$0	\$0
2026	\$0	\$1,110,199	(\$1,110,199)	(\$38,000)	\$28,000	\$10,000	\$0	\$0
2027	\$246,000	\$1,110,199	\$0	\$0	\$28,560	\$10,000	\$94,485	\$1,489,244
2028	\$263,000	\$1,095,746	\$0	\$0	\$29,131	\$10,000	\$93,255	\$1,491,132
2029	\$279,000	\$1,080,295	\$0	\$0	\$29,714	\$10,000	\$91,940	\$1,490,949
2030	\$296,000	\$1,063,904	\$0	\$0	\$30,308	\$10,000	\$90,545	\$1,490,757
2031	\$314,000	\$1,046,514	\$0	\$0	\$30,914	\$10,000	\$89,065	\$1,490,493
2032	\$334,000	\$1,028,066	\$0	\$0	\$31,533	\$10,000	\$87,495	\$1,491,094
2033	\$354,000	\$1,008,444	\$0	\$0	\$32,163	\$10,000	\$85,825	\$1,490,432
2034	\$376,000	\$987,646	\$0	\$0	\$32,806	\$10,000	\$84,055	\$1,490,508
2035	\$400,000	\$965,556	\$0	\$0	\$33,463	\$10,000	\$82,175	\$1,491,194
2036	\$424,000	\$942,056	\$0	\$0	\$34,132	\$10,000	\$80,175	\$1,490,363
2037	\$451,000	\$917,146	\$0	\$0	\$34,814	\$10,000	\$78,055	\$1,491,016
2038	\$479,000	\$890,650	\$0	\$0	\$35,511	\$10,000	\$75,800	\$1,490,961
2039	\$509,000	\$862,509	\$0	\$0	\$36,221	\$10,000	\$73,405	\$1,491,135
2040	\$540,000	\$832,605	\$0	\$0	\$36,945	\$10,000	\$70,860	\$1,490,410
2041	\$574,000	\$800,880	\$0	\$0	\$37,684	\$10,000	\$68,160	\$1,490,724
2042	\$610,000	\$767,158	\$0	\$0	\$38,438	\$10,000	\$65,290	\$1,490,885
2043	\$648,000	\$731,320	\$0	\$0	\$39,207	\$10,000	\$62,240	\$1,490,767
2044	\$688,000	\$693,250	\$0	\$0	\$39,991	\$10,000	\$59,000	\$1,490,241
2045	\$731,000	\$652,830	\$0	\$0	\$40,791	\$10,000	\$55,560	\$1,490,181
2046	\$777,000	\$609,884	\$0	\$0	\$41,607	\$10,000	\$51,905	\$1,490,395
2047	\$826,000	\$564,235	\$0	\$0	\$42,439	\$10,000	\$48,020	\$1,490,694
2048	\$878,000	\$515,708	\$0	\$0	\$43,287	\$10,000	\$43,890	\$1,490,885
2049	\$933,000	\$464,125	\$0	\$0	\$44,153	\$10,000	\$39,500	\$1,490,778
2050	\$992,000	\$409,311	\$0	\$0	\$45,036	\$10,000	\$34,835	\$1,491,182
2051	\$1,054,000	\$351,031	\$0	\$0	\$45,937	\$10,000	\$29,875	\$1,490,843
2052	\$1,120,000	\$289,109	\$0	\$0	\$46,856	\$10,000	\$24,605	\$1,490,569
2053	\$1,191,000	\$223,309	\$0	\$0	\$47,793	\$10,000	\$19,005	\$1,491,107
2054	\$1,265,000	\$153,338	\$0	\$0	\$48,749	\$10,000	\$13,050	\$1,490,136
2055	\$1,345,000	\$79,019	\$0	\$0	\$49,724	\$10,000	\$6,725	\$1,490,467
<b>Total</b>	<b>\$18,897,000</b>	<b>\$22,986,173</b>	<b>(\$1,850,331)</b>	<b>(\$82,500)</b>	<b>\$1,170,406</b>	<b>\$310,000</b>	<b>\$1,798,795</b>	<b>\$43,229,542</b>

\* Equal to 0.5% of outstanding principal.

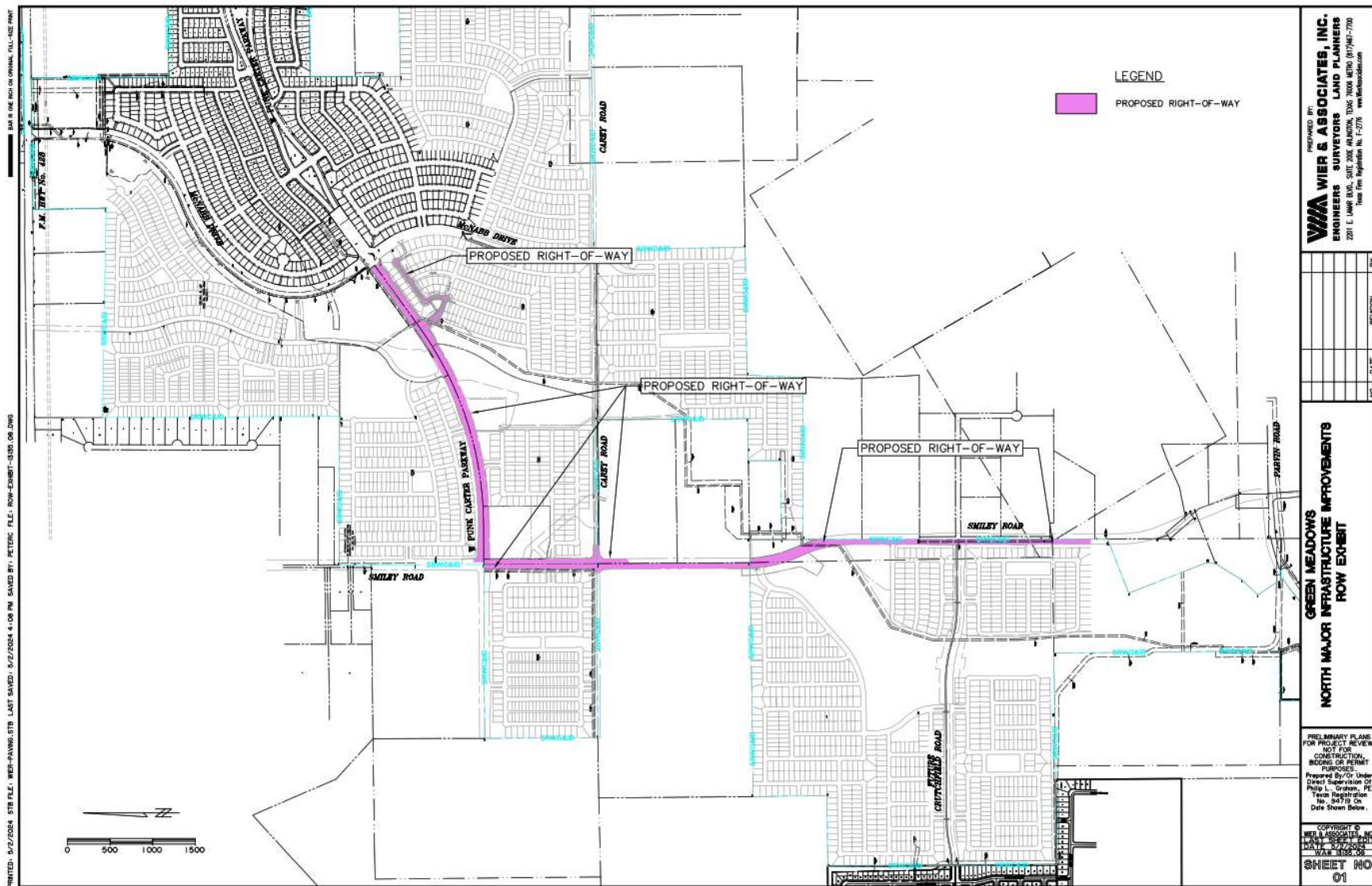
# EXHIBIT G-1

## Maps of Major Improvements

## ROAD IMPROVEMENTS

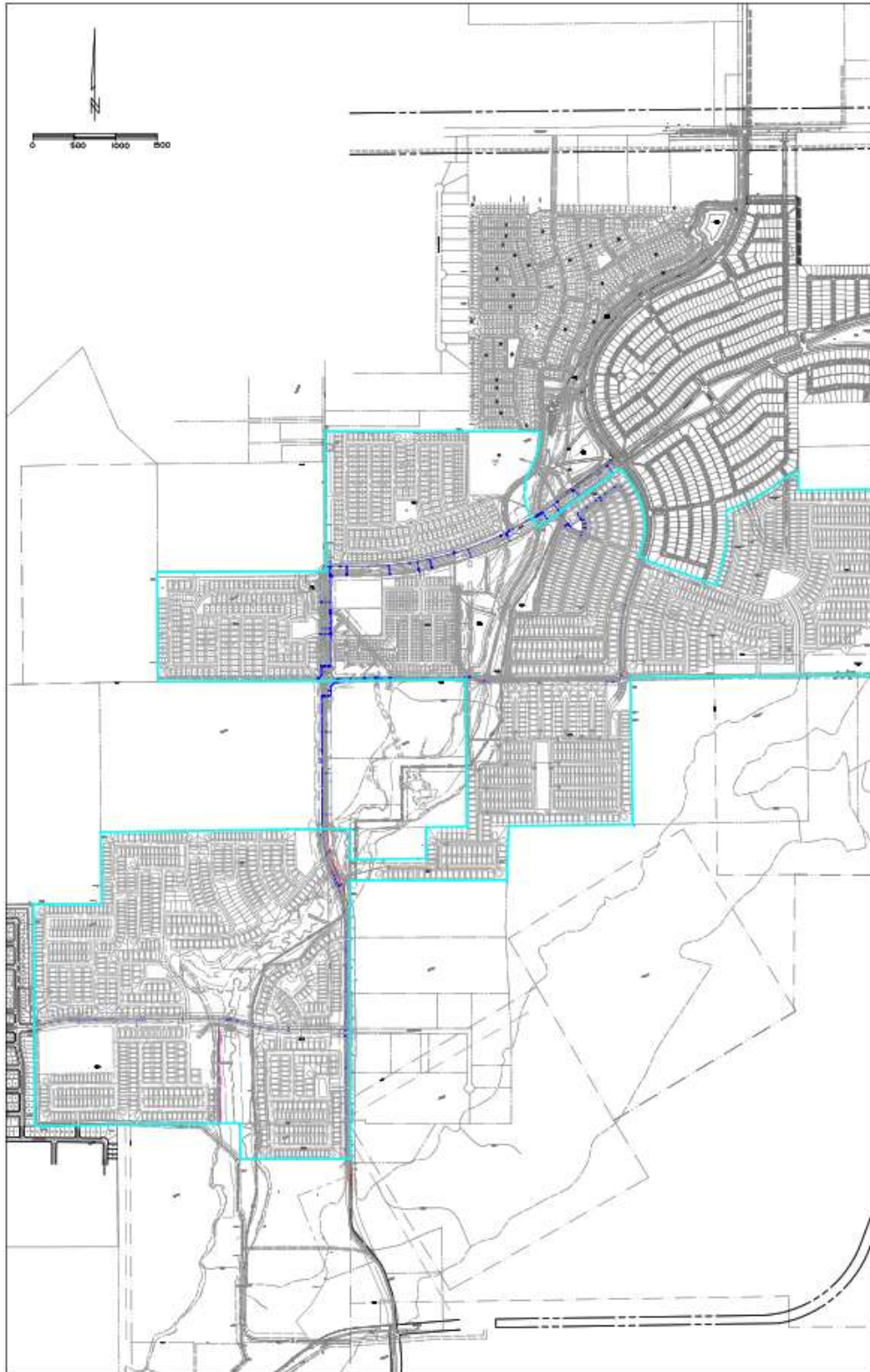


# ROW Easements

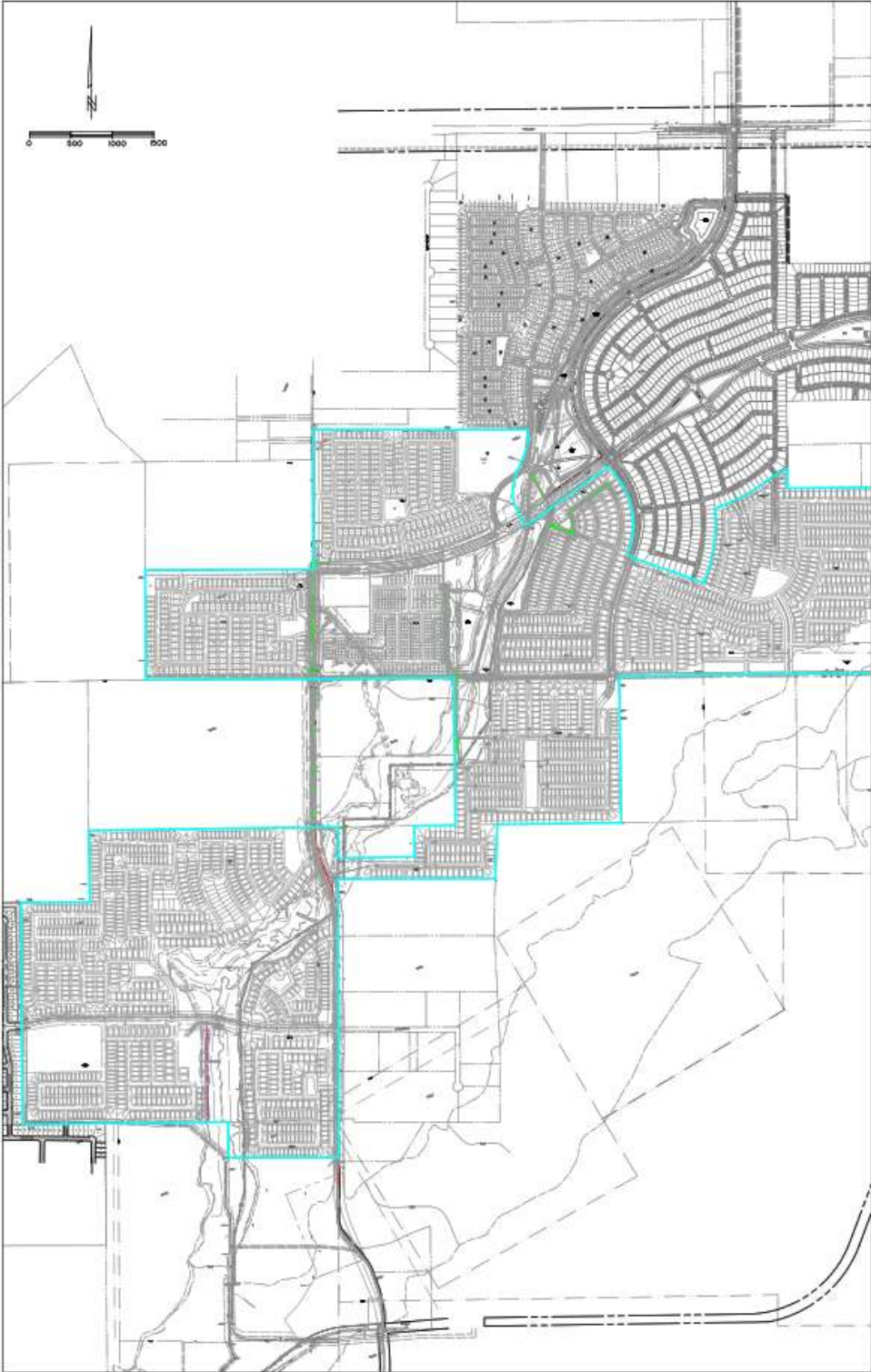




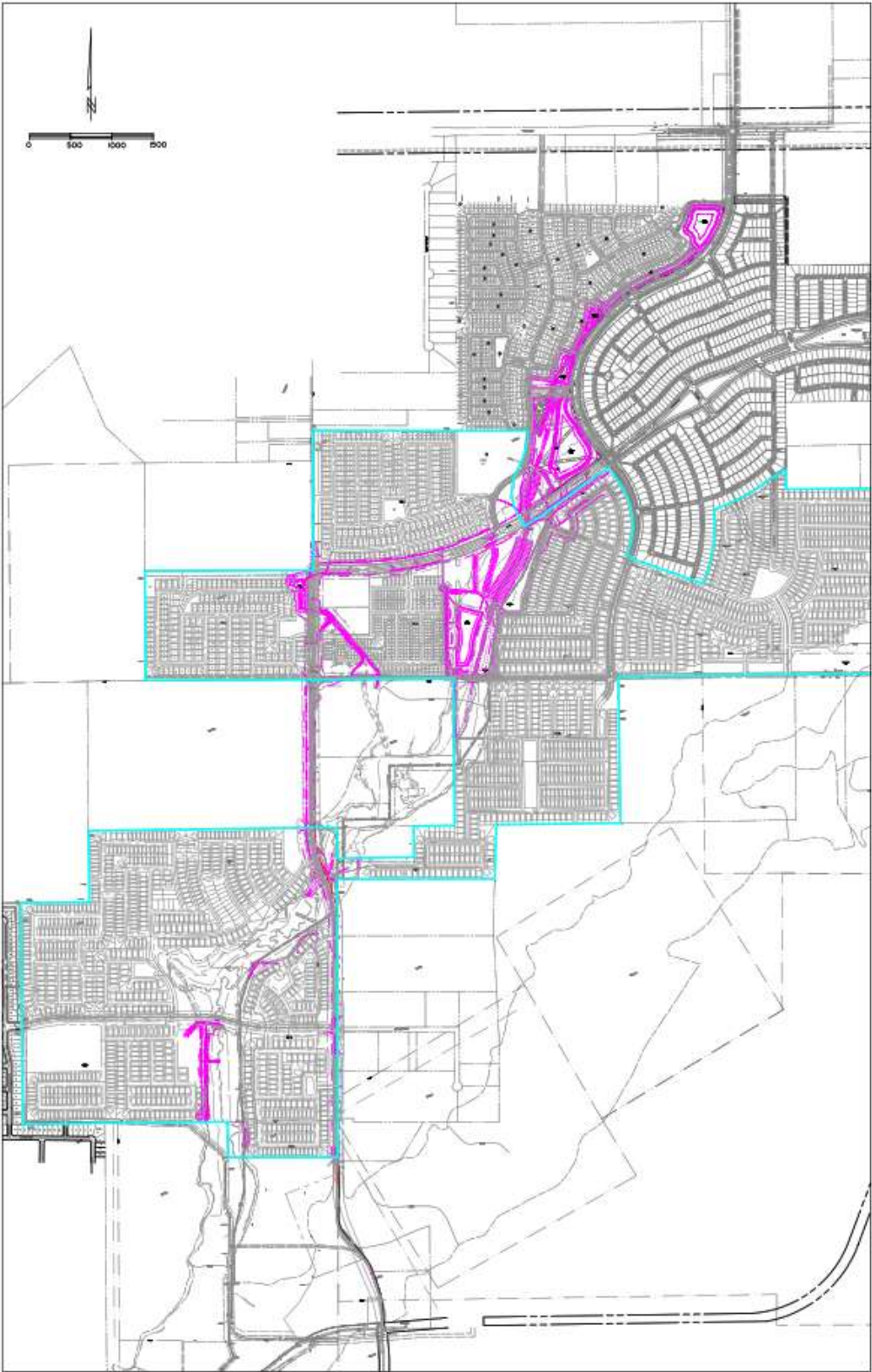
# WATER IMPROVEMENTS



# SEWER IMPROVEMENTS



DRAINAGE IMPROVEMENTS



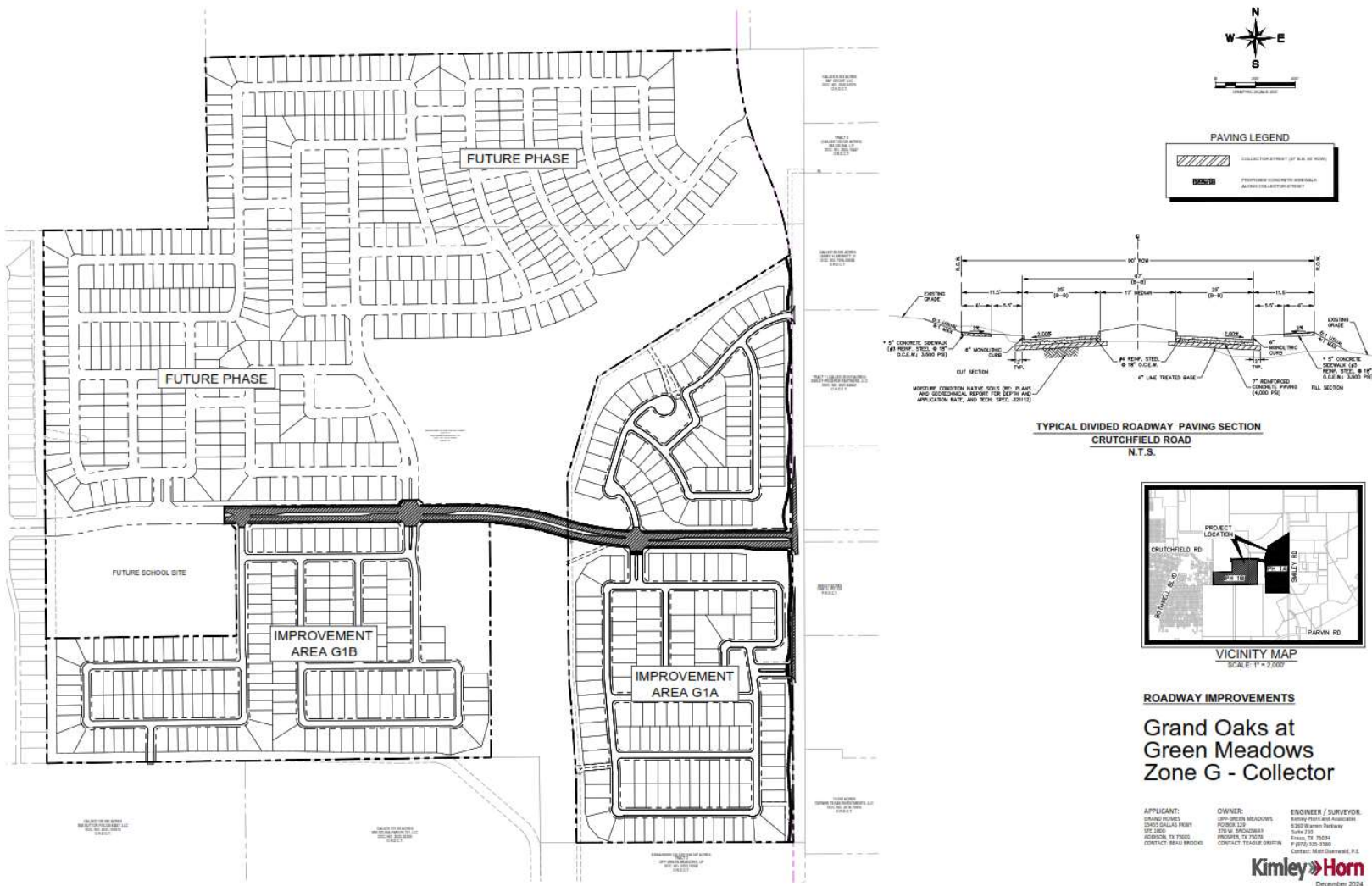
## EXHIBIT G-2

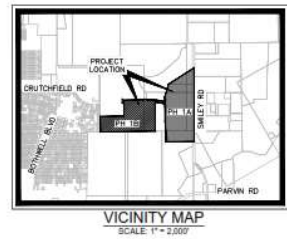
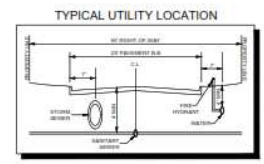
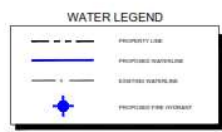
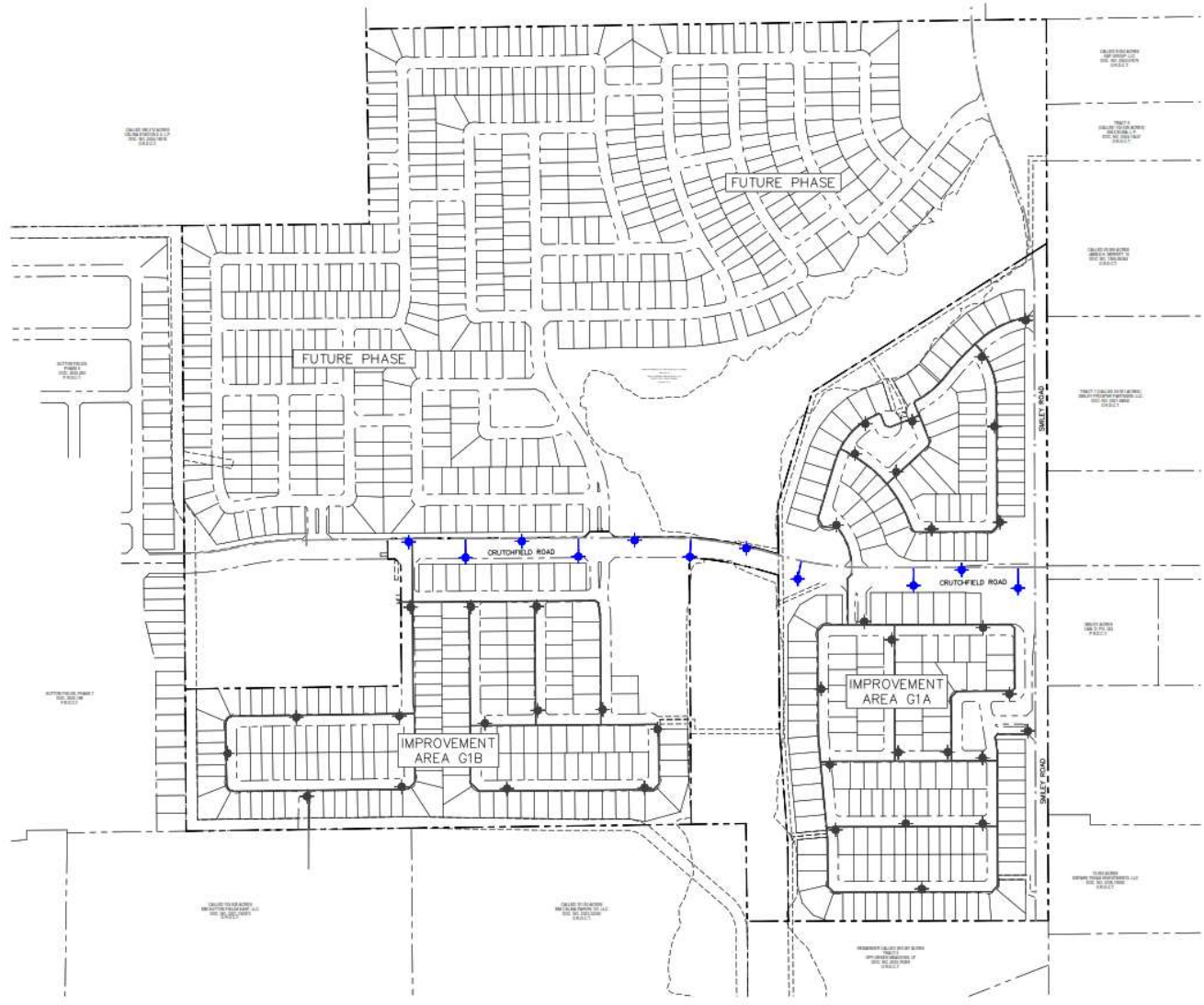
### **Maps of Zone G Improvements, Improvement Area G1A Local Improvements and Improvement Area G1B Local Improvements**



# Exhibit G-2.1

## Maps of Zone G Improvements





**WATER IMPROVEMENTS**

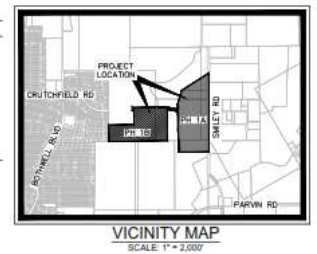
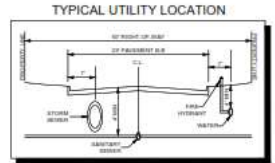
**Grand Oaks at Green Meadows Zone G - Collector**

**APPLICANT:**  
 GRAND OAKS  
 1500 GRAND OAKS DRIVE  
 SITE 100E  
 ADDRESS: 19 7000  
 CONTACT: BEAU BROOKS

**OWNER:**  
 GPM GREEN MEADOWS  
 POLINA ZIZ  
 10716 BROOKHURST  
 PROVIDER, TX 75076  
 CONTACT: TESSIE GRIFFIN

**ENGINEER / SURVEYOR:**  
 Kimley-Horn and Associates  
 6300 Western Parkway  
 Suite 210  
 Fort Worth, TX 76120  
 P1972-ES-2000  
 Contact: Matt Satterfield, P.E.





**STORM DRAINAGE IMPROVEMENTS**

**Grand Oaks at Green Meadows Zone G - Collector**

**APPLICANT:**  
GRAND HOMES  
1400 CALAVERA PKWY  
HOUSTON, TX 77050  
CONTACT: BEAU BROOKS

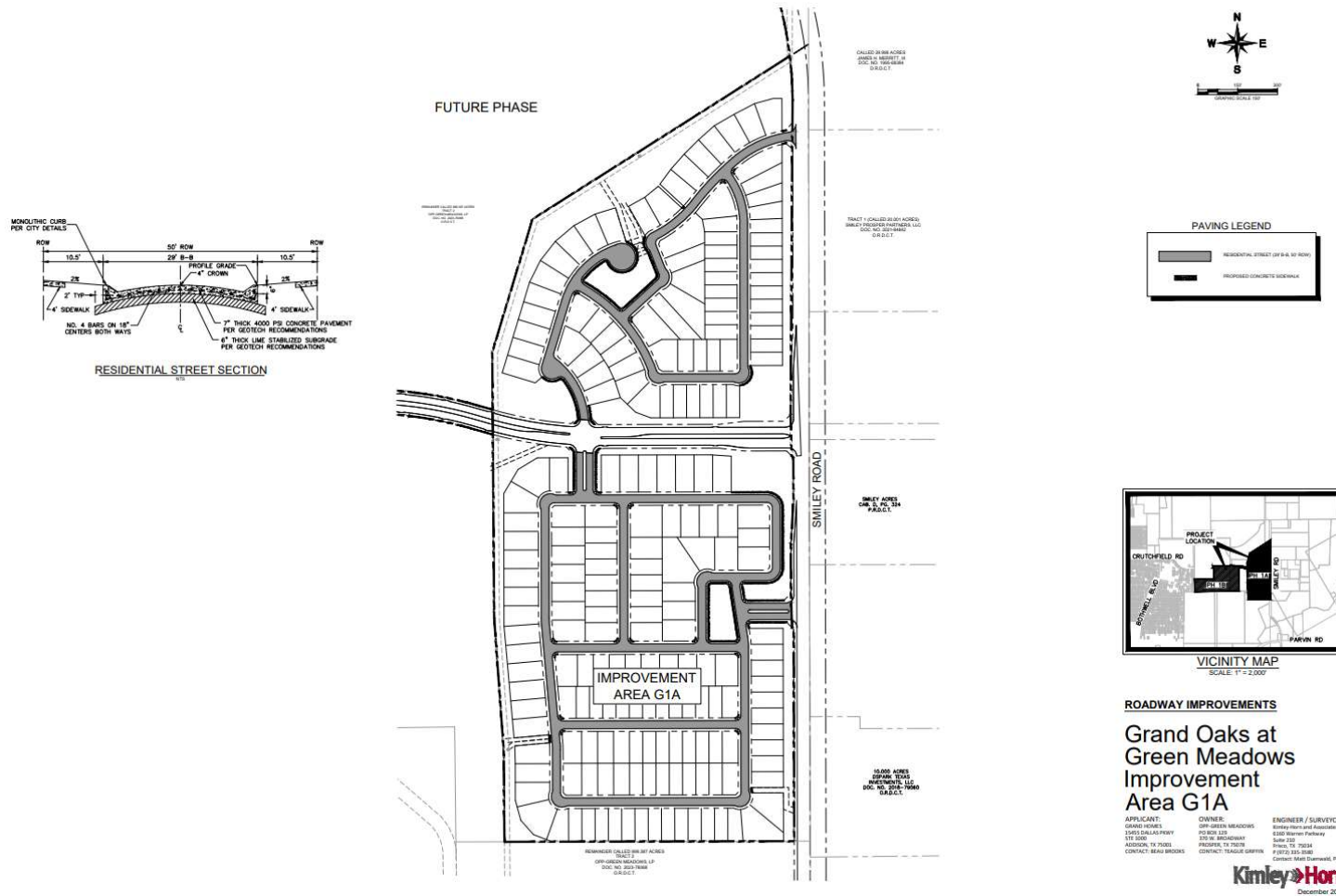
**OWNER:**  
DPR GREEN MEADOWS  
PO BOX 121  
3701 W. BRIDGEMOUNT  
HOUSTON, TX 77059  
CONTACT: TRAVIS GRISH

**ENGINEER / SURVEYOR:**  
Kimley-Horn and Associates  
6300 Wilshire Parkway  
Suite 210  
Houston, TX 77054  
P (281) 510-3300  
Contact: Matt Guzman, P.E.

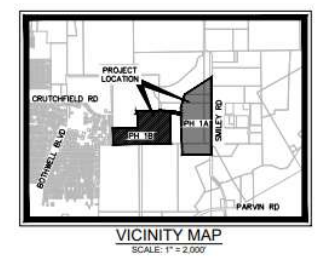
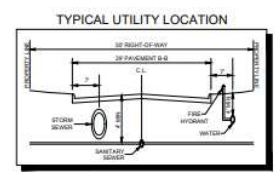
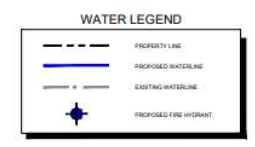
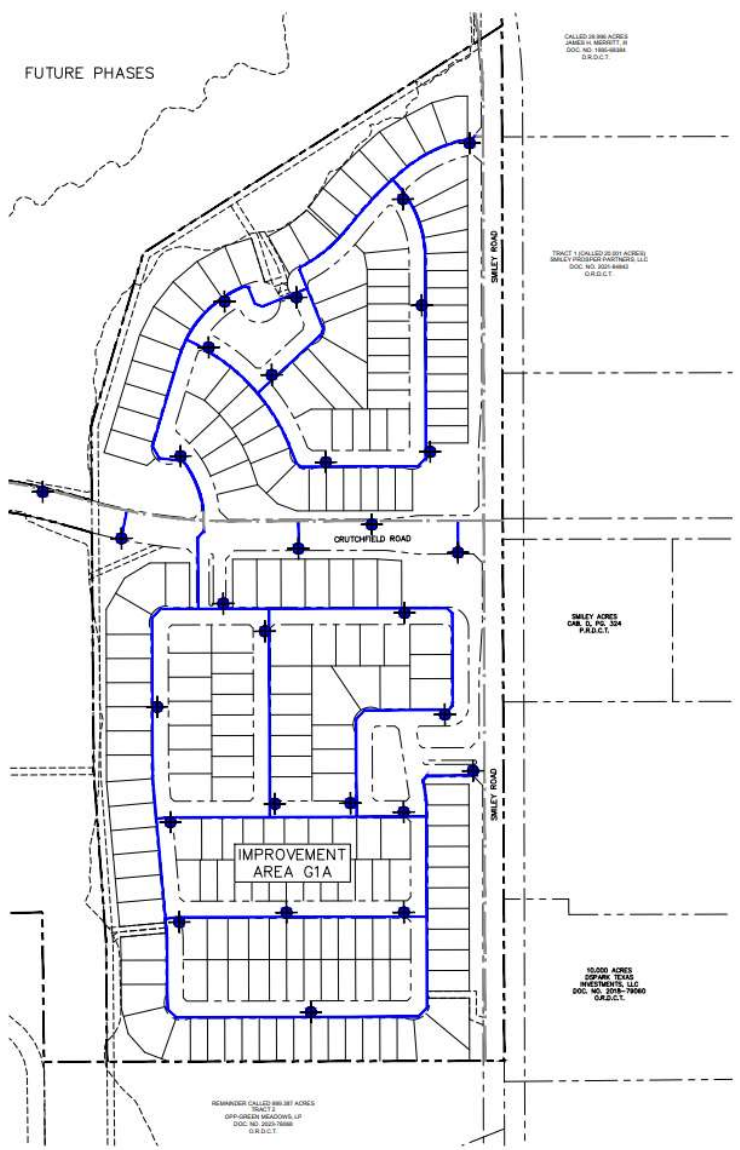


## EXHIBIT G-2.2

### Maps of Improvement Area G1A Local Improvements







**WATER IMPROVEMENTS**

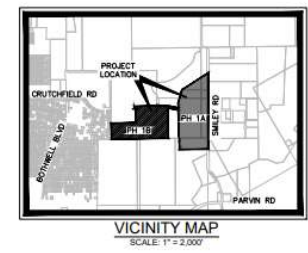
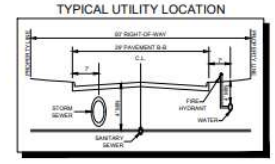
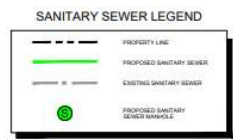
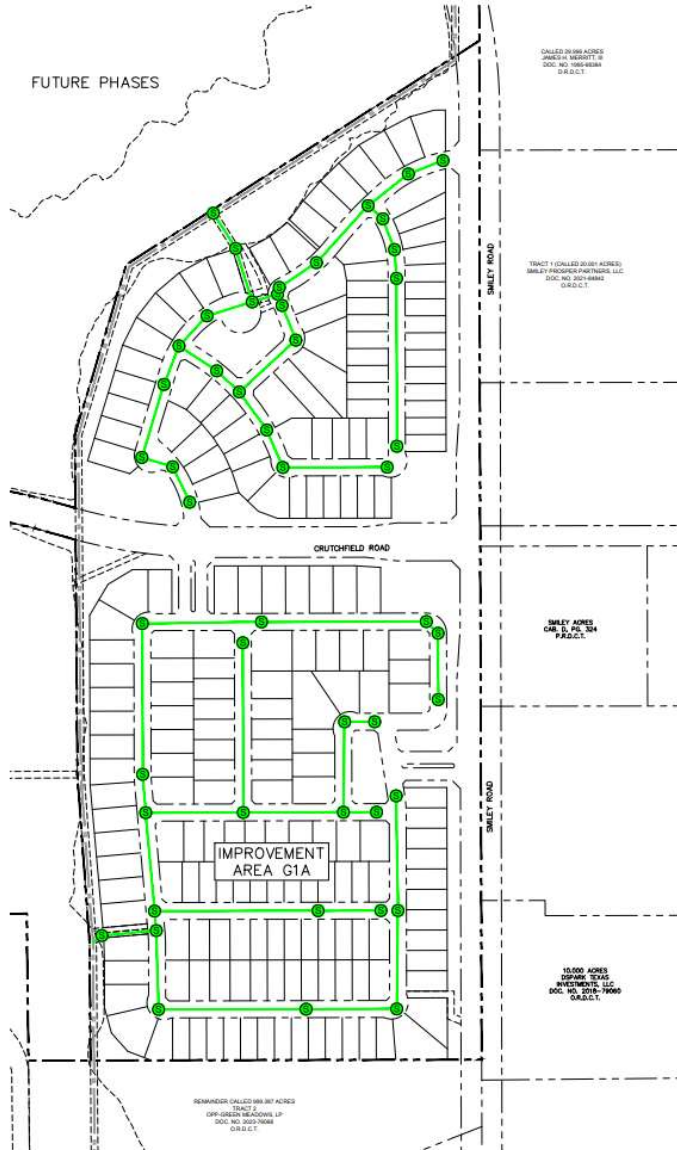
**Grand Oaks at Green Meadows Improvement Area G1A**

APPLICANT: GRAND HOMES  
1345 DALLAS PKWY  
ITE 1000  
ADRIANO, TX 75821  
CONTACT: BEAU BROOKS

OWNER: OFF-GREEN MEADOWS  
110 BULL CREEK  
170 W. BROADWAY  
PRESTON, TX 76078  
CONTACT: TEAGUE GRIFFIN

ENGINEER / SURVEYOR:  
Kimley-Horn and Associates  
Suite 210  
P.O. Box 170244  
Ft. Worth, TX 76117  
Contact: Matt Duemmel, P.E.



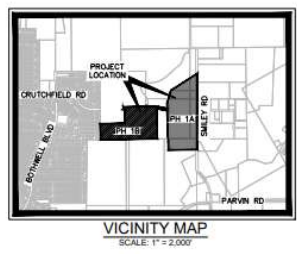
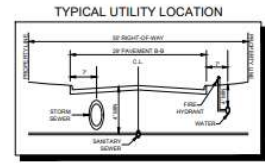
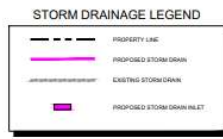
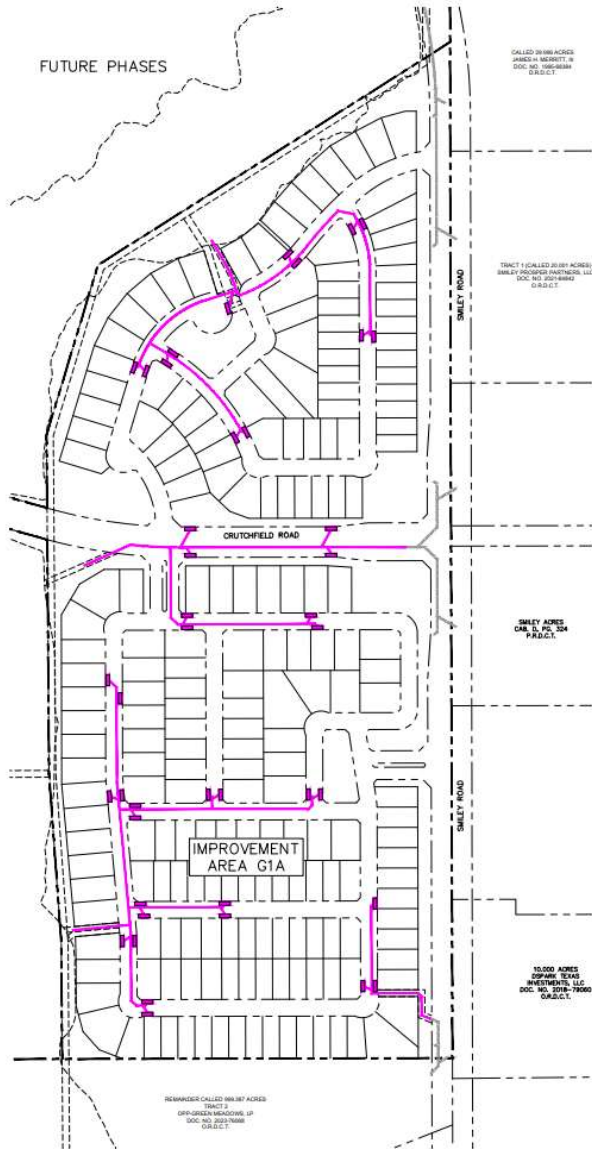


**SANITARY SEWER IMPROVEMENTS**

## Grand Oaks at Green Meadows Improvement Area G1A

<b>APPLICANT:</b> GRAND OAKS 1500 DALLAS PKWY SUITE 200 ADDICKS, TX 75002 CONTACT: BEAU BROOKS	<b>OWNER:</b> DPP GREEN MEADOWS PROJECT 125 270 W. BROADWAY FROEDER, TX 75076 CONTACT: TRAVIS GRIFFIN	<b>ENGINEER / SURVEYOR:</b> Kimley-Horn and Associates 4100 Sherman Parkway Suite 210 Dallas, TX 75214 P (972) 315-3680 Contact: Matt Drummond, P.E.
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**Kimley-Horn**  
December 2024



**STORM DRAINAGE IMPROVEMENTS**

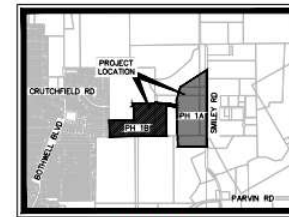
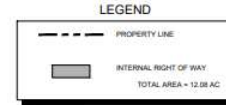
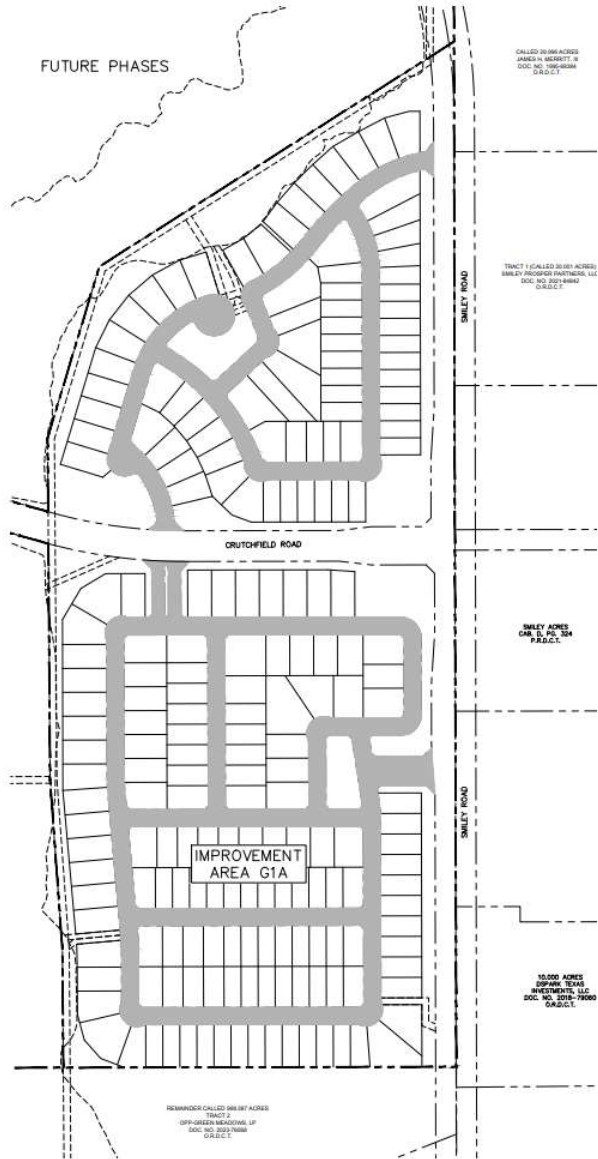
**Grand Oaks at Green Meadows Improvement Area G1A**

**APPLICANT:** GRAND OAKS  
 1540 DALLAS PARKWAY  
 STE 2000  
 ADDISON, TX 75011  
 CONTACT: BEAU BRIDGES

**OWNER:** GP/AM GREEN MEADOWS  
 PO BOX 112  
 270 W. BROADWAY  
 PROSPER, TX 75076  
 CONTACT: TEAGUE GAFFIN

**ENGINEER / SURVEYOR:** Kimley-Horn and Associates  
 6340 Wilshire Parkway  
 Suite 210  
 FIrmin, TX 75034  
 P (972) 330-2688  
 Contact: Matt Dierwieser, P.E.





**VICINITY MAP**  
SCALE: 1" = 2,000'

**RIGHT OF WAY EXHIBIT**

**Grand Oaks at  
Green Meadows  
Improvement  
Area G1A**

APPLICANT: GRAND OAKS  
15053 DALLAS PKWY  
115-2000  
ADDISON, TX 75001  
CONTACT: BEAU BRIDGES

OWNER: OPFMARK TEXAS  
INVESTMENTS, LLC  
175 W. BROADWAY  
PROSPER, TX 75076  
CONTACT: TRAVIS GRIFIN

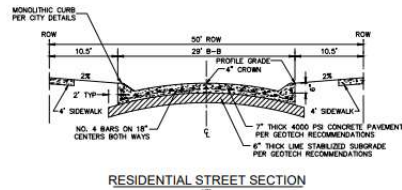
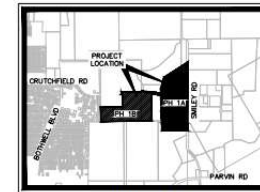
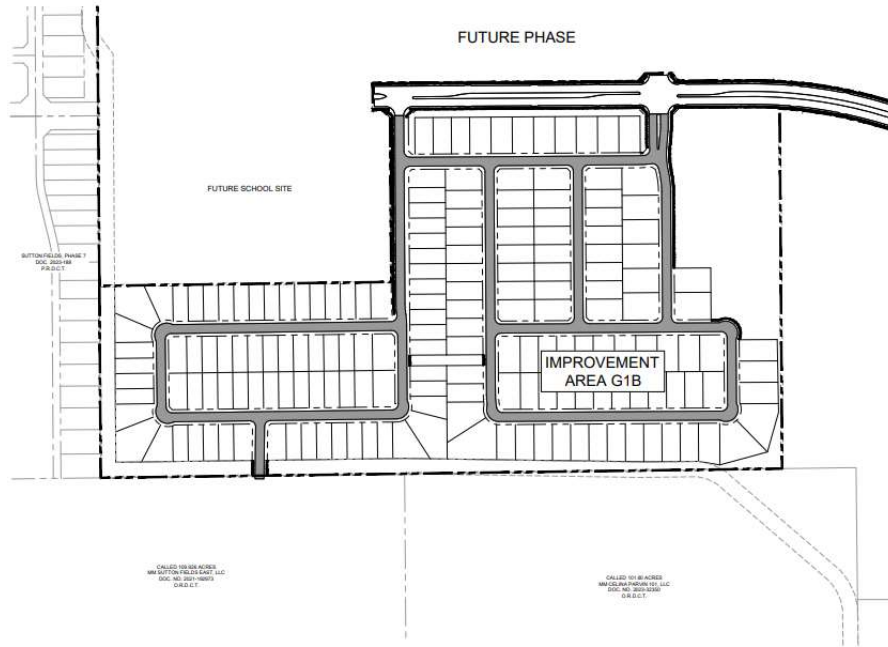
ENGINEER / SURVEYOR:  
Kimley-Horn and Associates  
8160 Warren Parkway  
Suite 210  
Frisco, TX 75034  
P. O. BOX 101-3180  
Contact: Matt Diemarwald, P.E.





## EXHIBIT G-2.3

### Maps of Improvement Area G1B Local Improvements



#### ROADWAY IMPROVEMENTS

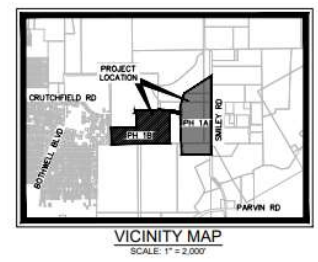
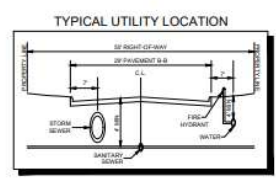
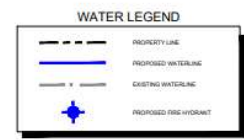
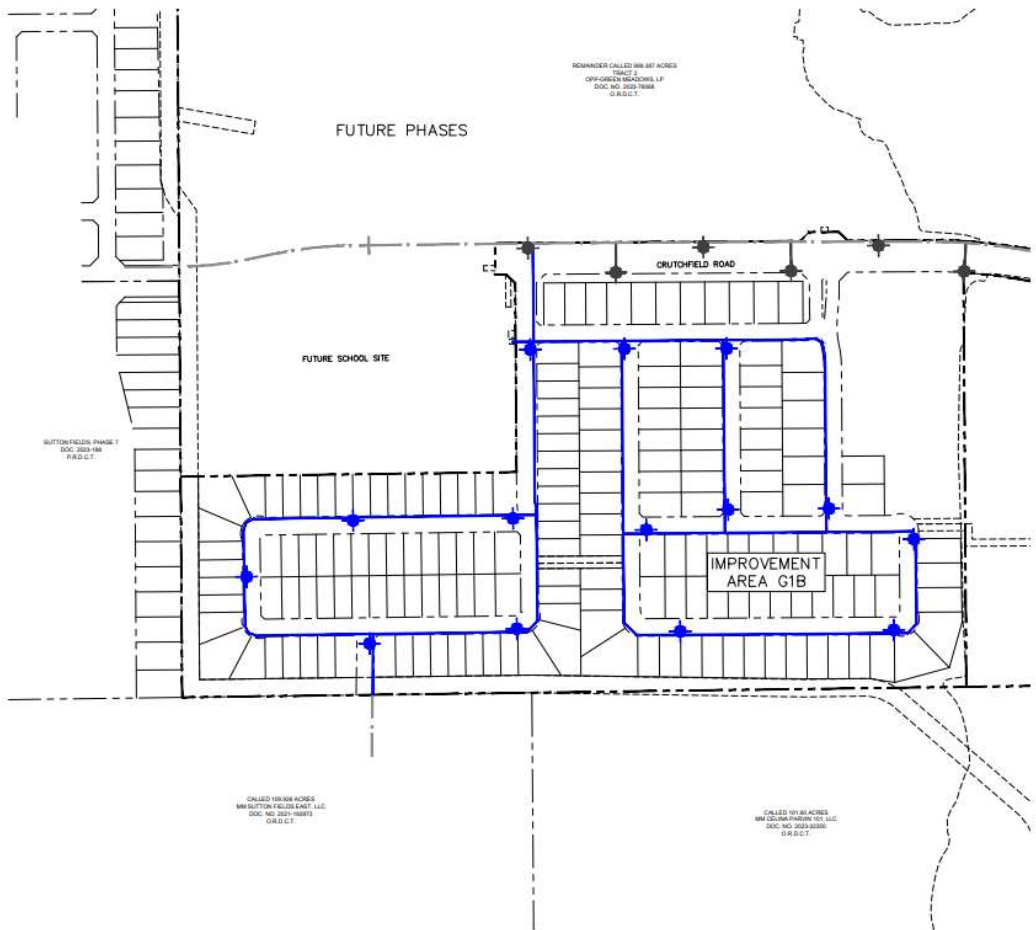
### Grand Oaks at Green Meadows Improvement Area G1B

APPLICANT:  
GRAND OAKS  
LIFE DESIGN  
ADDISON, TX 75002  
CONTACT: KEVIN BRIDGES

OWNER:  
OFF GREEN MEADOWS  
PO BOX 122  
3700 S. BRIDGEMAN  
PACIFIC, TX 75078  
CONTACT: TRAVIS STEFFIN

ENGINEER / SURVEYOR:  
Kimley-Horn and Associates  
6200 Brentwood Parkway  
Suite 200  
Pacifica, TX 75024  
P.O. BOX 9800  
Contact: Matt Durnwald, P.E.



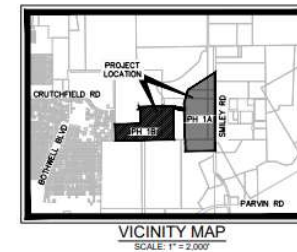
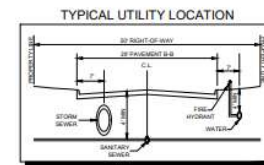
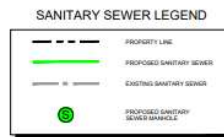
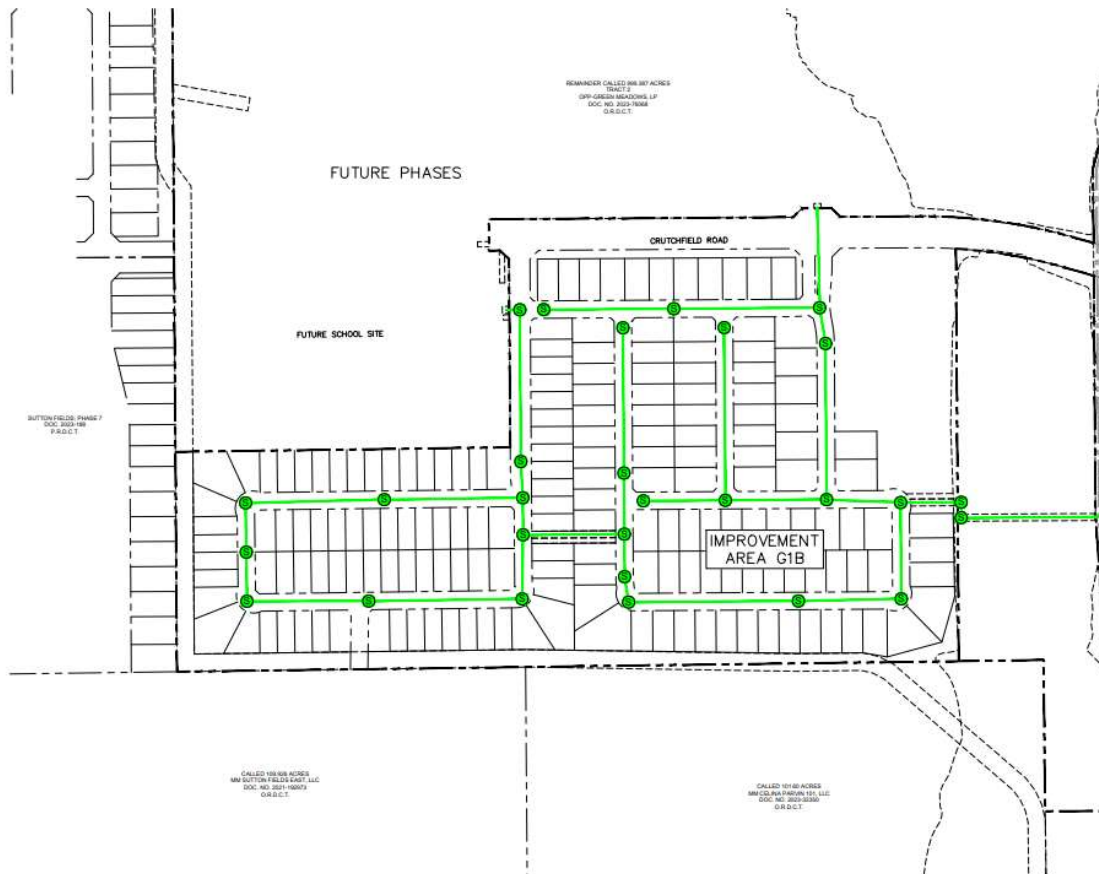


**WATER IMPROVEMENTS**

**Grand Oaks at Green Meadows Improvement Area G1B**

<b>APPLICANT:</b> GRAND OAKS 15405 DALLAS PARKWAY SITE 200 ADDICKS, TX 75002 CONTACT: BEAU BROOKS	<b>OWNER:</b> OFF-GREEN MEADOWS 802 BOYD L25 370 W. BROADWAY FREDERICK, TX 75076 CONTACT: TEAGLE GRIFFIN	<b>ENGINEER / SURVEYOR:</b> Kimley-Horn and Associates 6320 Silver Parkway Suite 210 Frisco, TX 75034 P (972) 335-3590 Contact: Matt Sturmeval, P.E.
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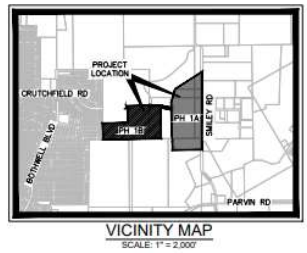
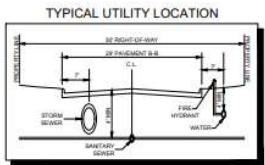
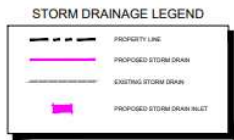
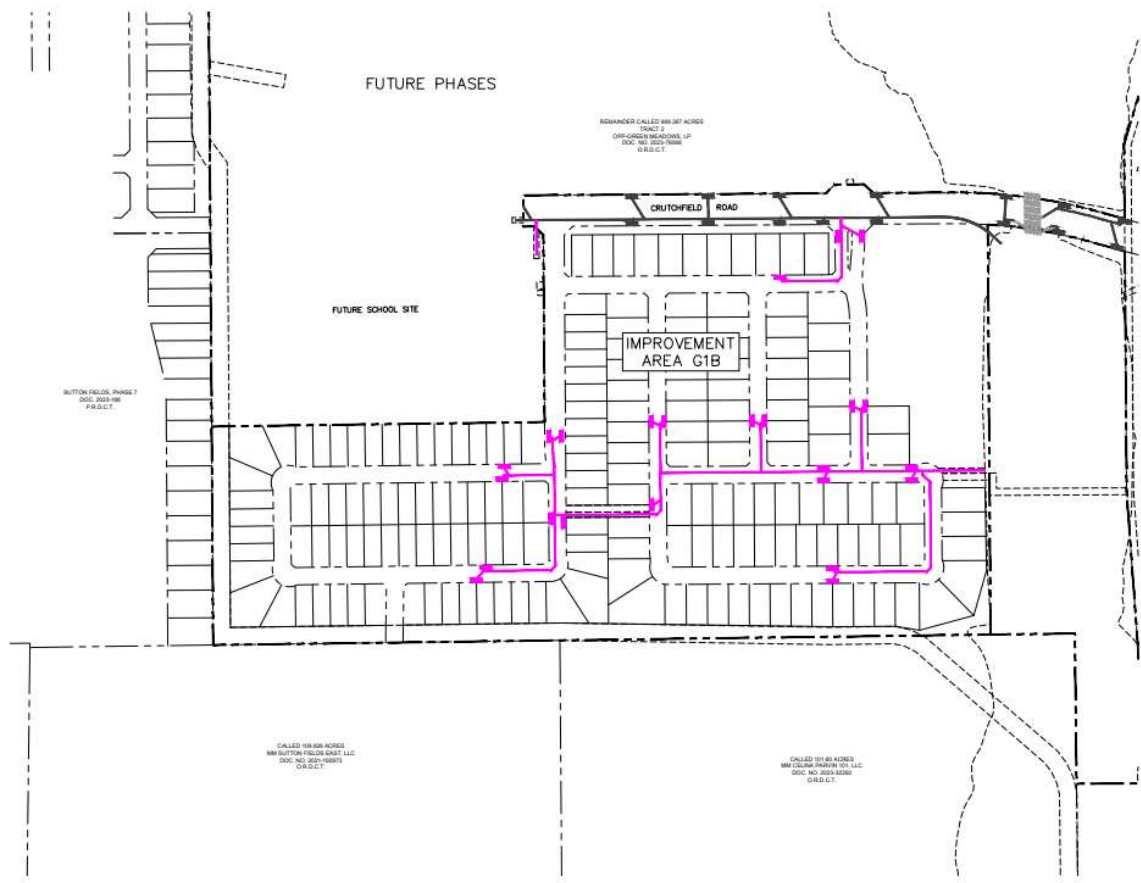


**SANITARY SEWER IMPROVEMENTS**

**Grand Oaks at Green Meadows Improvement Area G1B**

<b>APPLICANT:</b> GRAND OAKS 5450 DALAS FERRY SITE 200B ANDREWS, TX 75001 CONTACT: BEAU BROOKS	<b>OWNER:</b> OPP GREEN MEADOWS PO BOX 1215 370 W. BROADWAY PROSPER, TX 75078 CONTACT: TEAGUE GRIFFIN	<b>ENGINEER / SURVEYOR:</b> Kimley-Horn and Associates 6300 Western Parkway Suite 210 Frisco, TX 75034 P (972) 320-3580 Contact: Matt Thuermer, P.E.
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**STORM DRAINAGE IMPROVEMENTS**

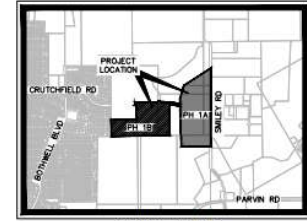
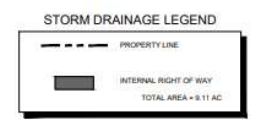
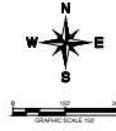
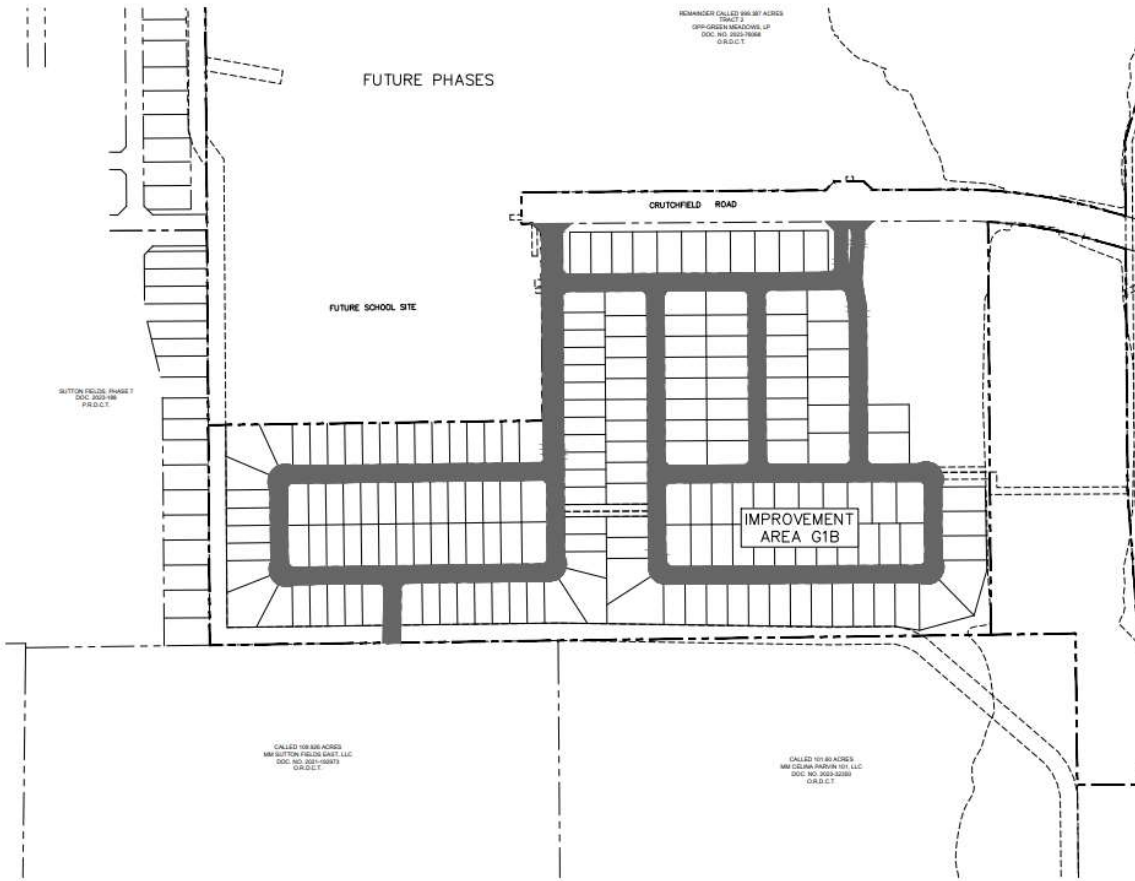
**Grand Oaks at Green Meadows Improvement Area G1B**

**APPLICANT:**  
GRAND OAKS  
13405 OAKLEAF DRIVE  
SITE 5000  
ADDRESS: TX 75001  
CONTACT: REAU BRIDGES

**OWNER:**  
DGP GREEN MEADOWS  
PO BOX 1210  
370 W. BROADWAY  
PROSPER, TX 75076  
CONTACT: TEAGUE GRIFFIN

**ENGINEER / SURVEYOR:**  
Kimley-Horn and Associates  
6100 Westport Parkway  
Suite 210  
Frisco, TX 75034  
P (972) 335-3540  
Contact: Matt Burmeister, P.E.





**RIGHT OF WAY EXHIBIT**

**Grand Oaks at Green Meadows Improvement Area G1B**

<b>APPLICANT:</b> GRAND HOMES 15405 DALLAS HWY STE 300 ADDISSON, TX 75001 CONTACT: BEAU BROOKS	<b>OWNER:</b> GFF GREEN MEADOWS P.O. BOX 125 370 W. BROADWAY PROSPER, TX 75078 CONTACT: TEAGUE GRIFFIN	<b>ENGINEER / SURVEYOR:</b> Kimley-Horn and Associates 6140 Warren Parkway Suite 210 P.O. Box 1034 Frisco, TX 75034 P (972) 335-0340 Contact: Matt Dammann, P.E.
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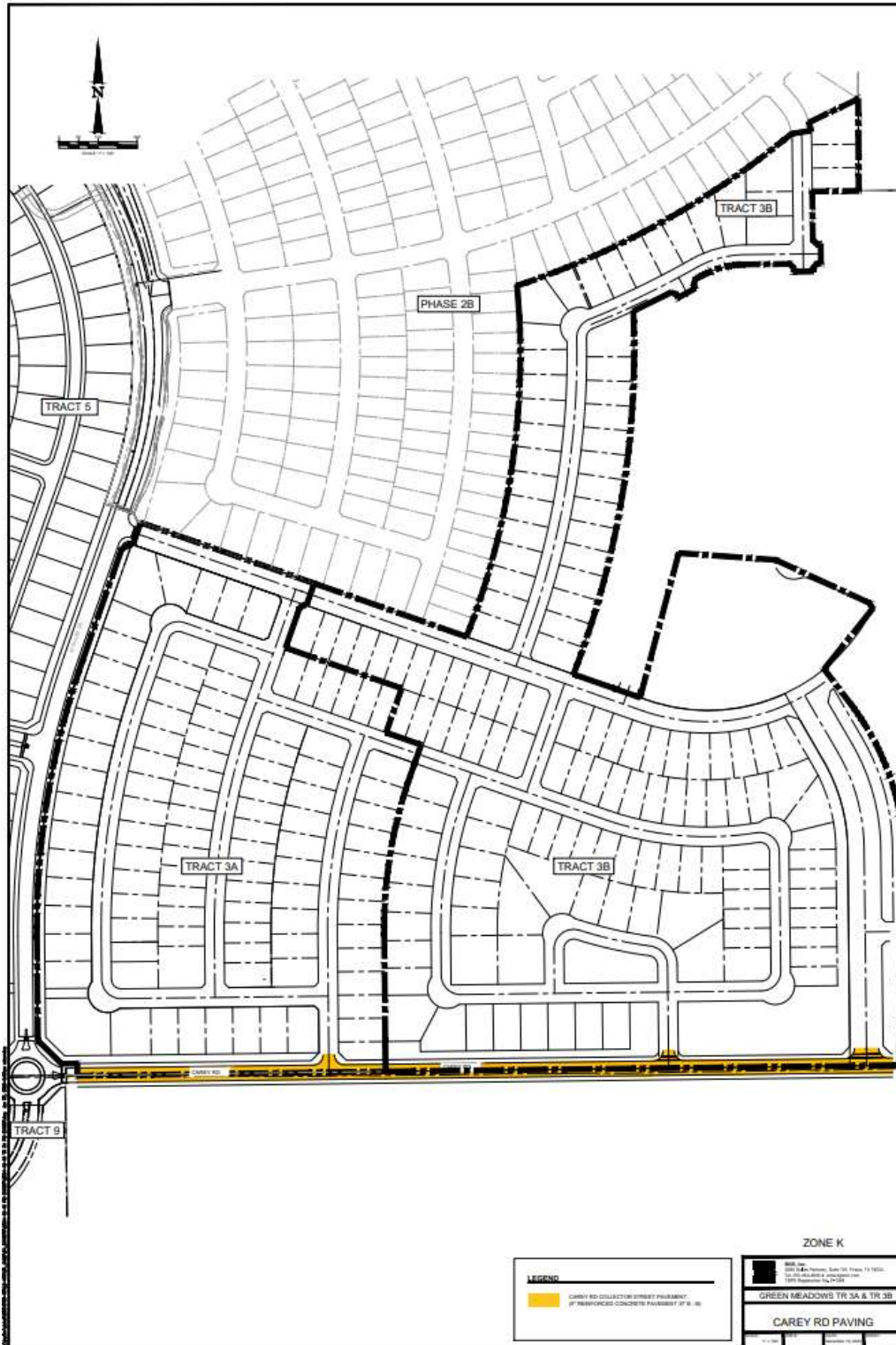
## EXHIBIT G-3

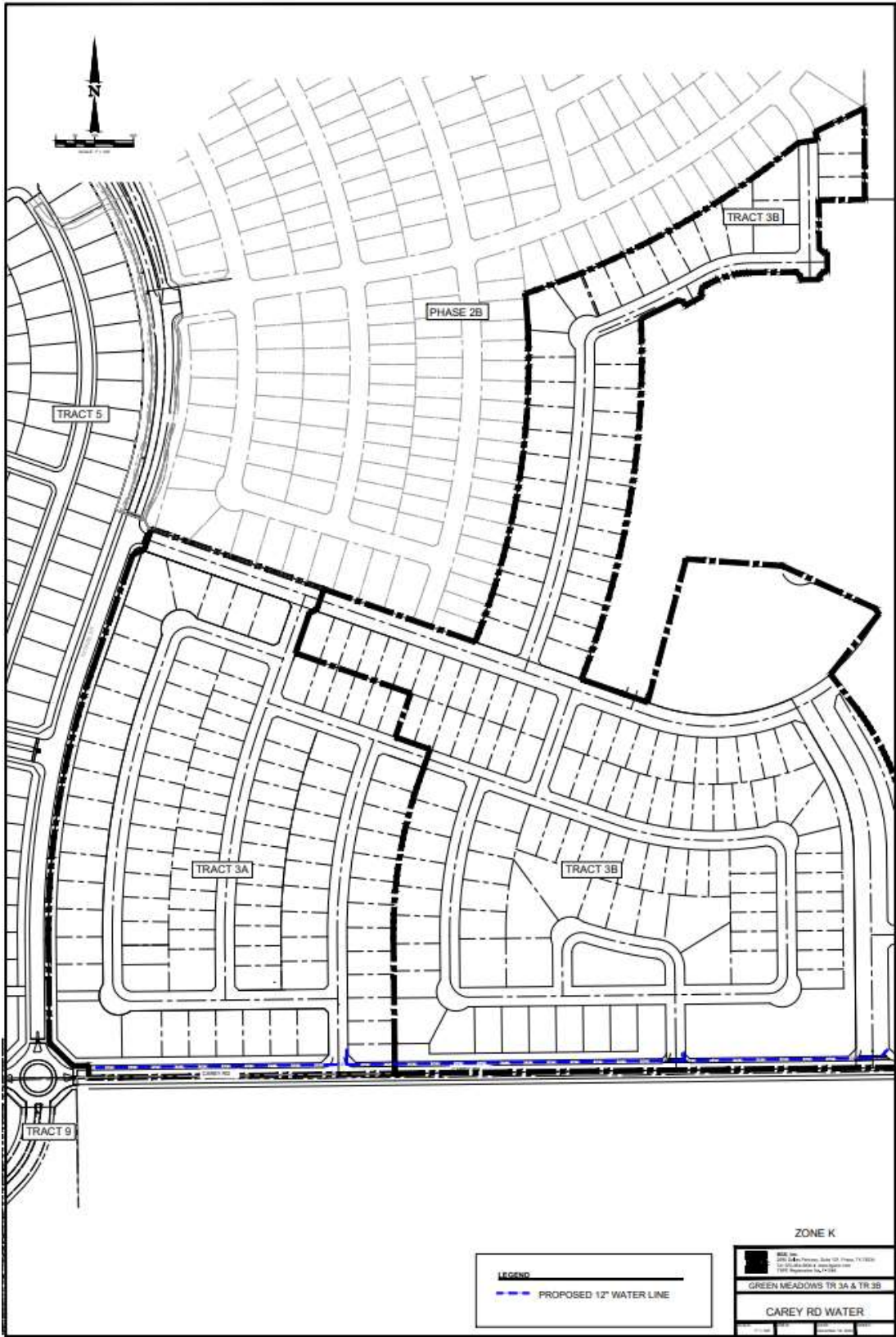
### Maps of Zone K Improvements and Improvement Area K1 Local Improvements



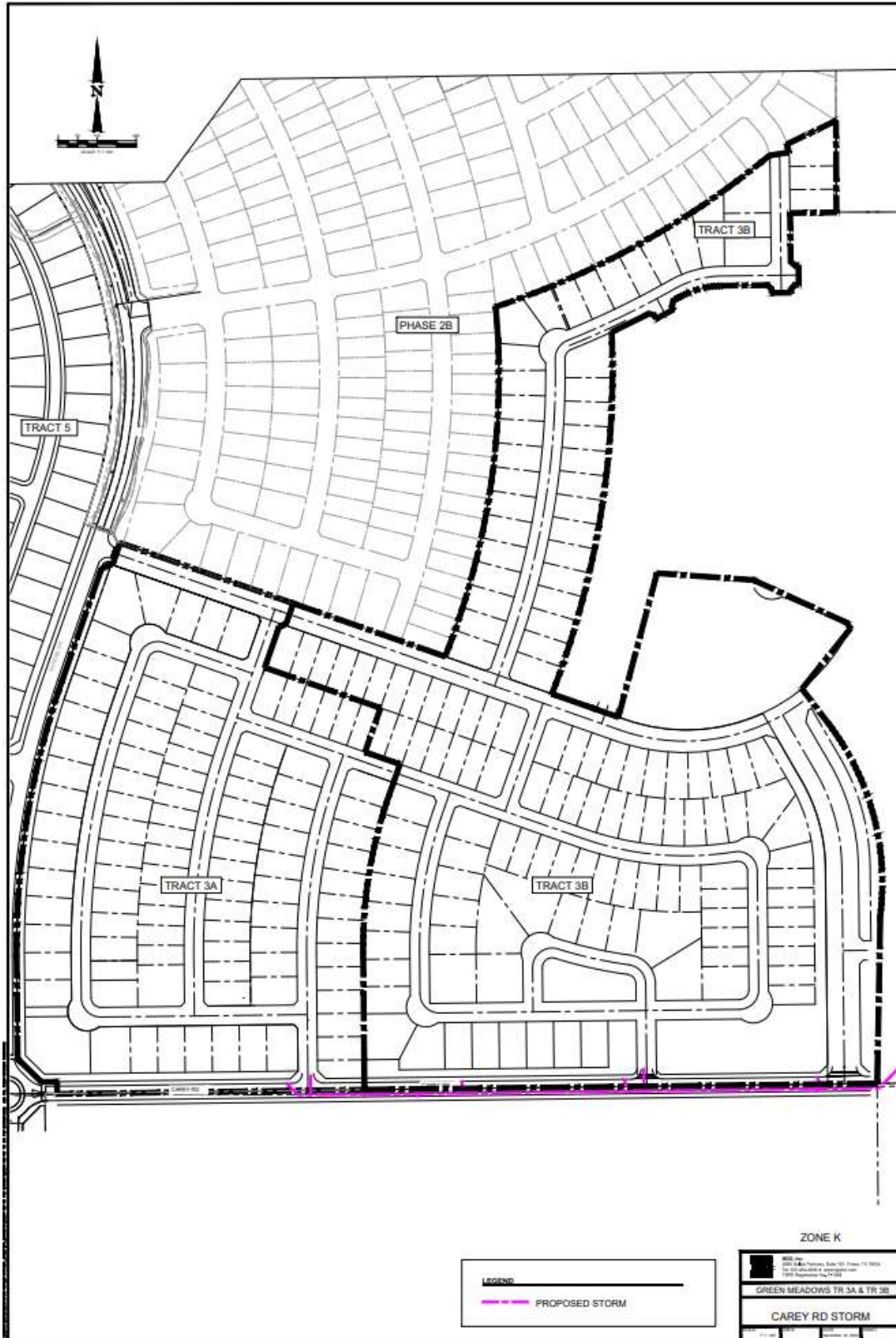
# Exhibit G-3.1

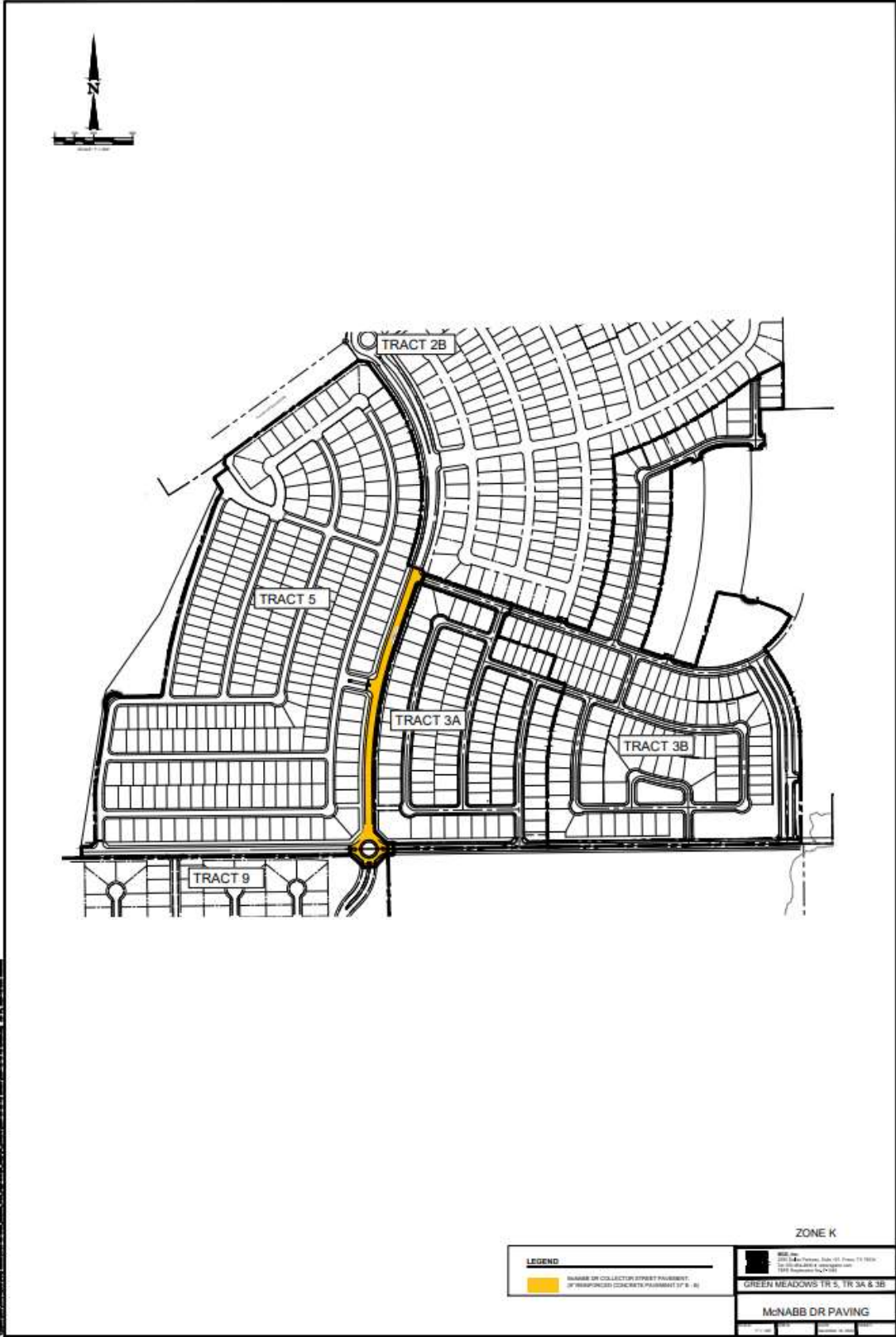
## Maps of Zone K Improvements

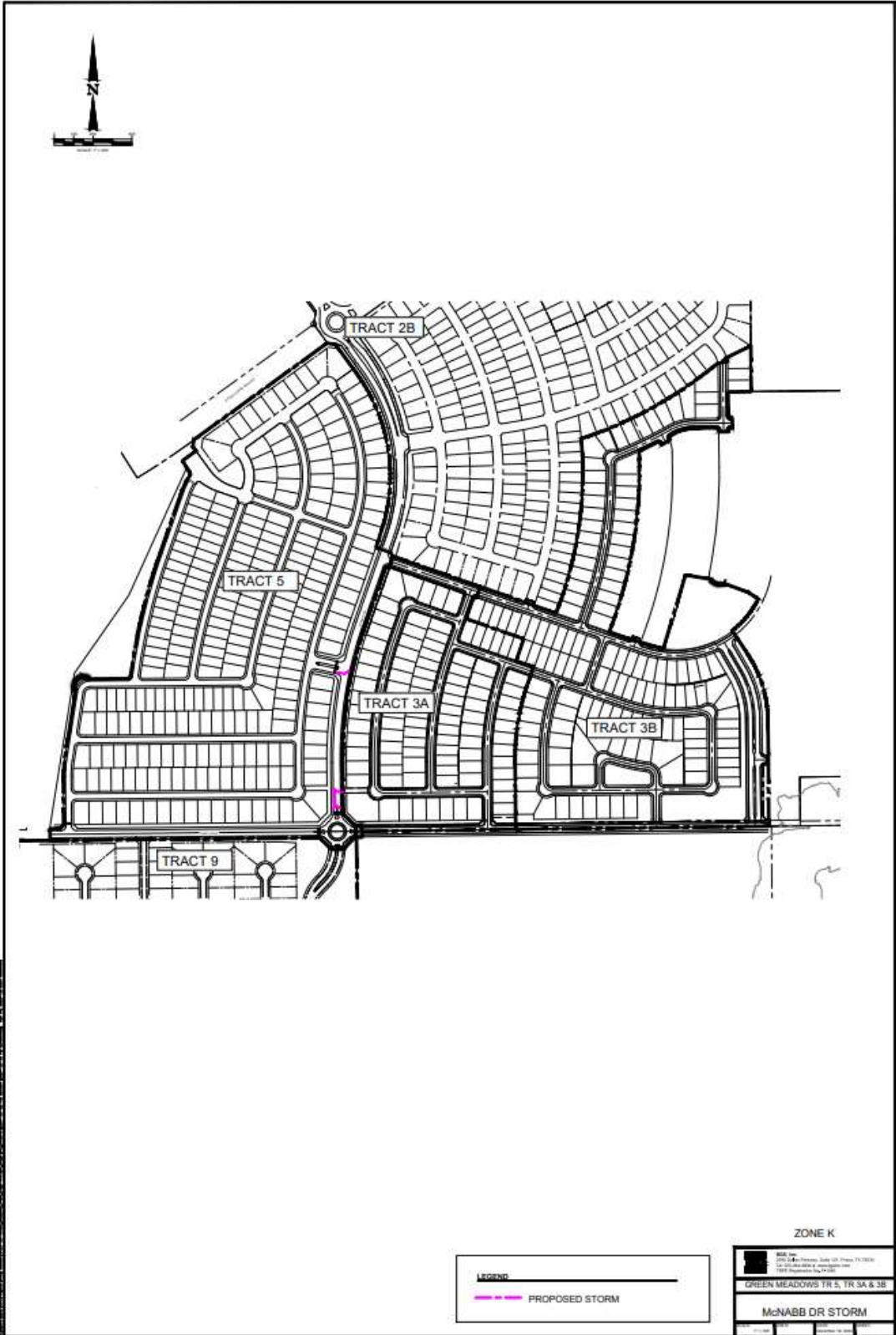








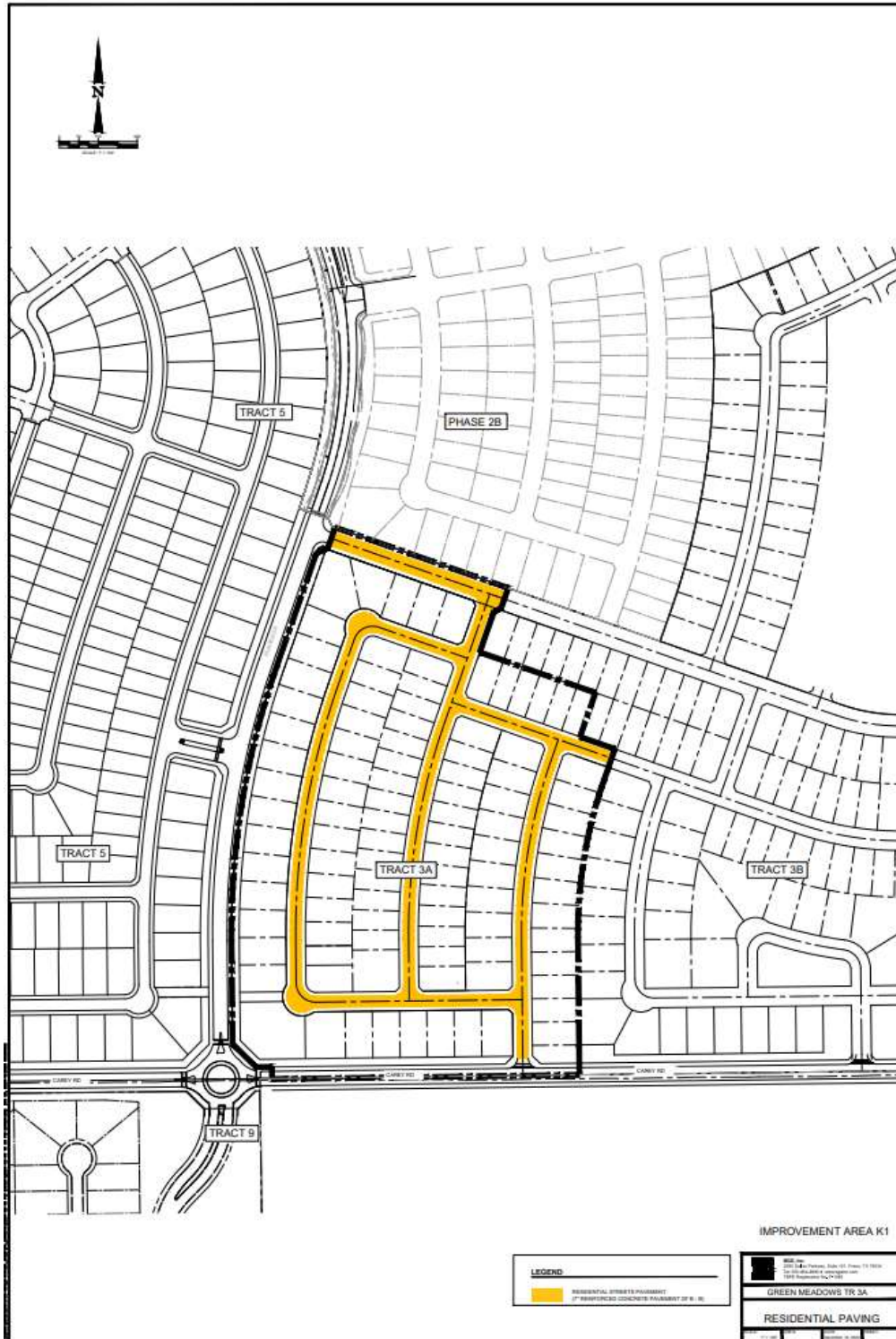


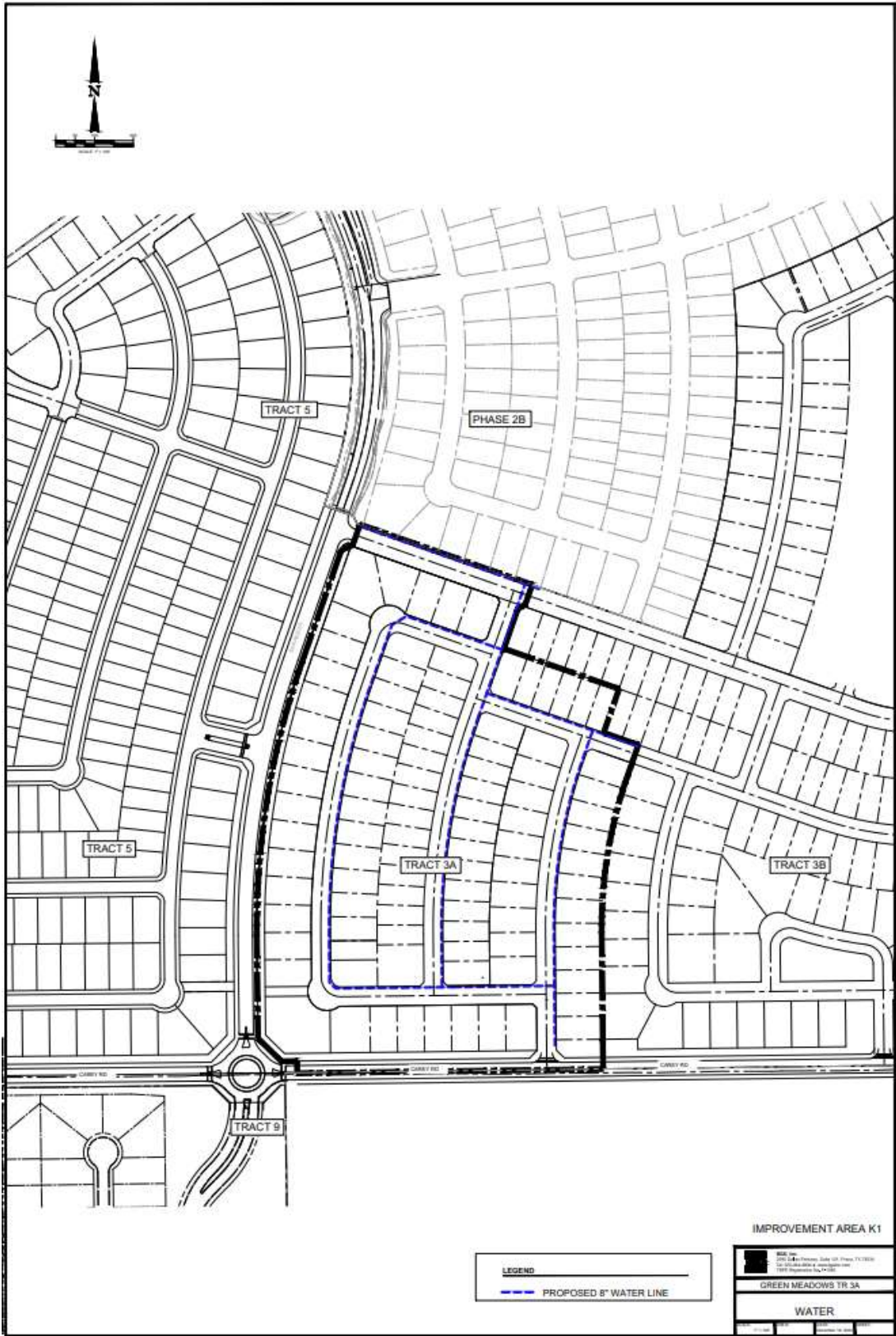




# Exhibit G-3.2

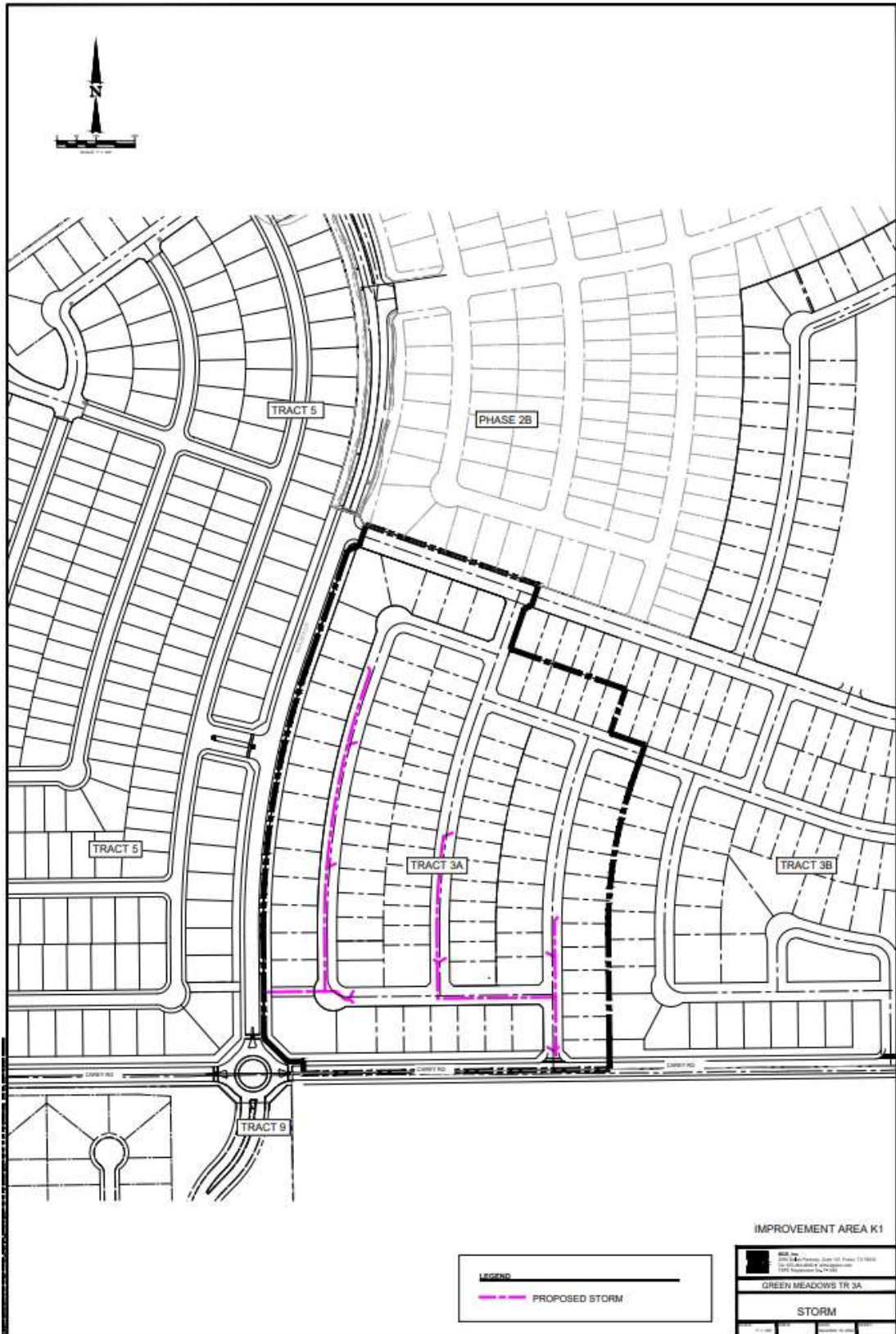
## Maps of Improvement Area K1 Local Improvements











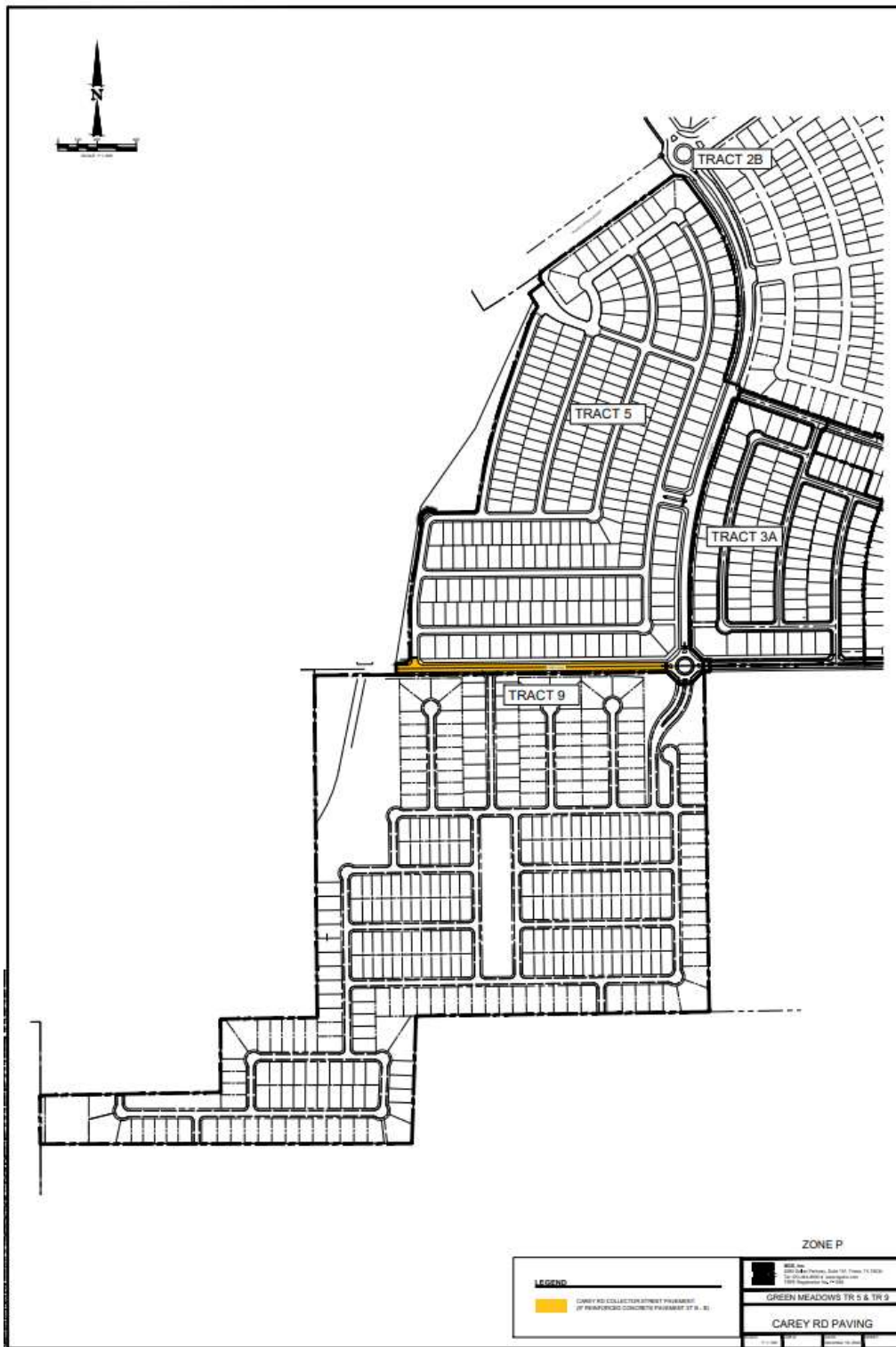
## EXHIBIT G-4

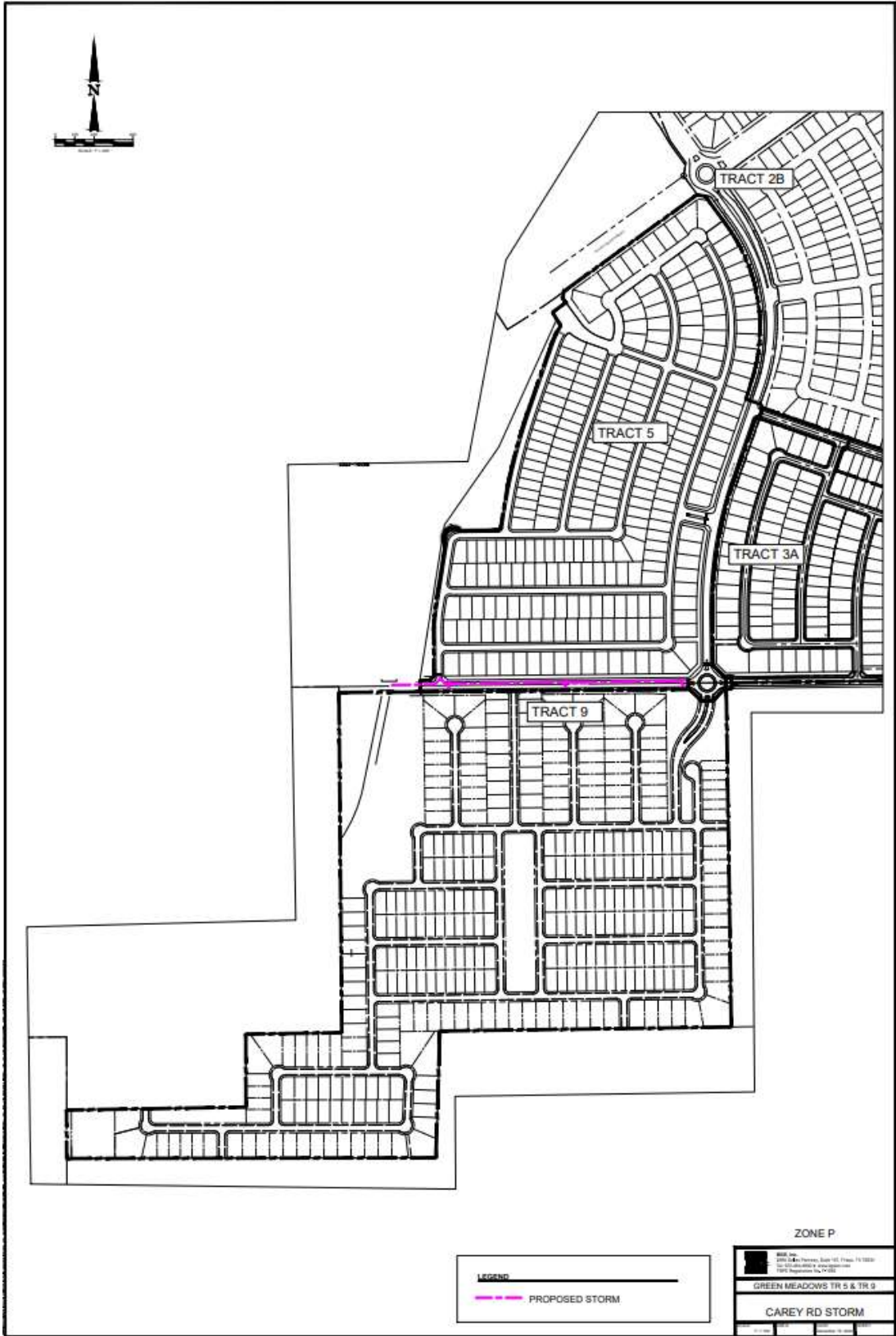
### Maps of Zone P Improvements and Improvement Area P1 Local Improvements



# Exhibit G-4.1

## Maps of Zone P Improvements

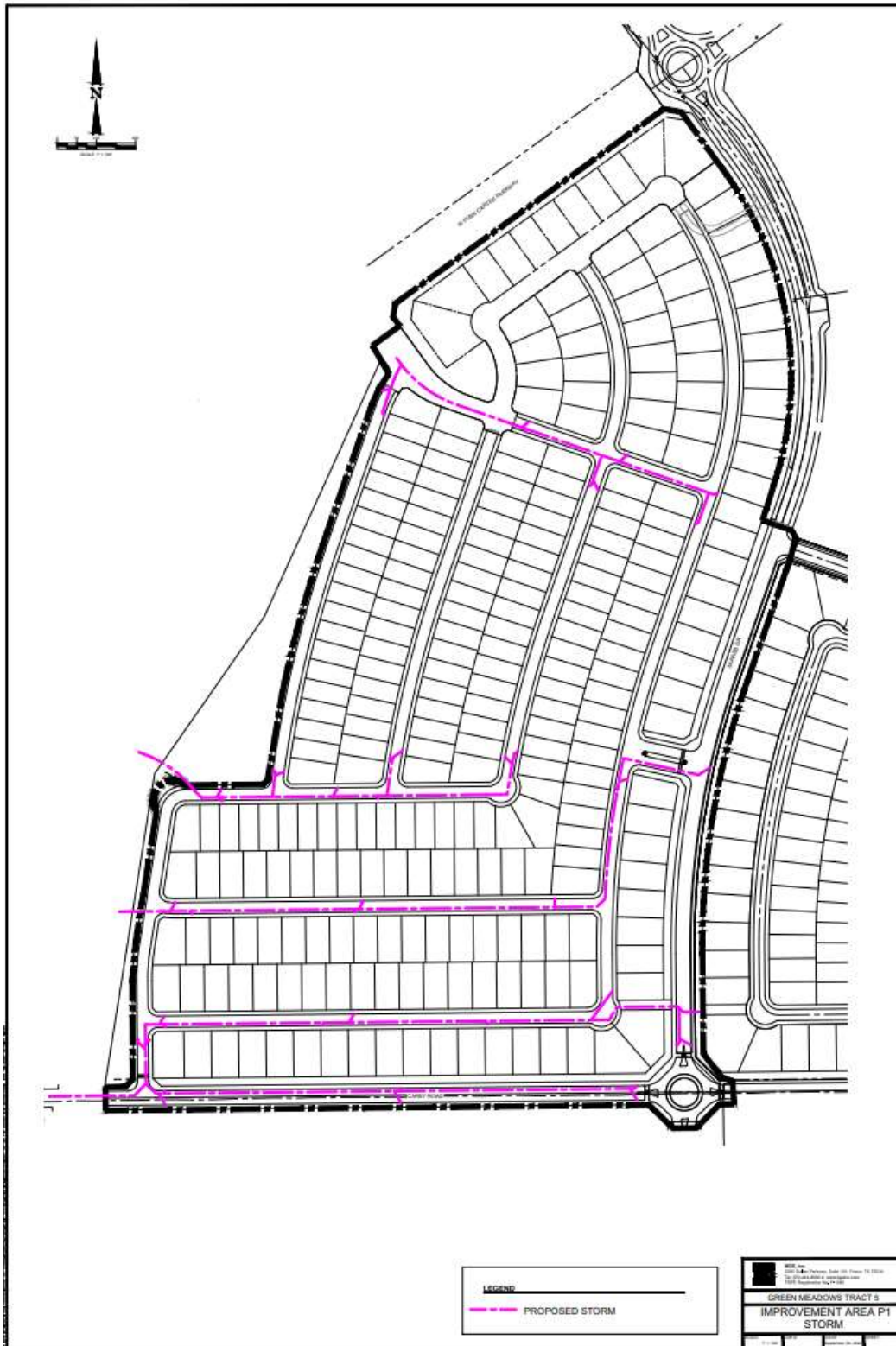




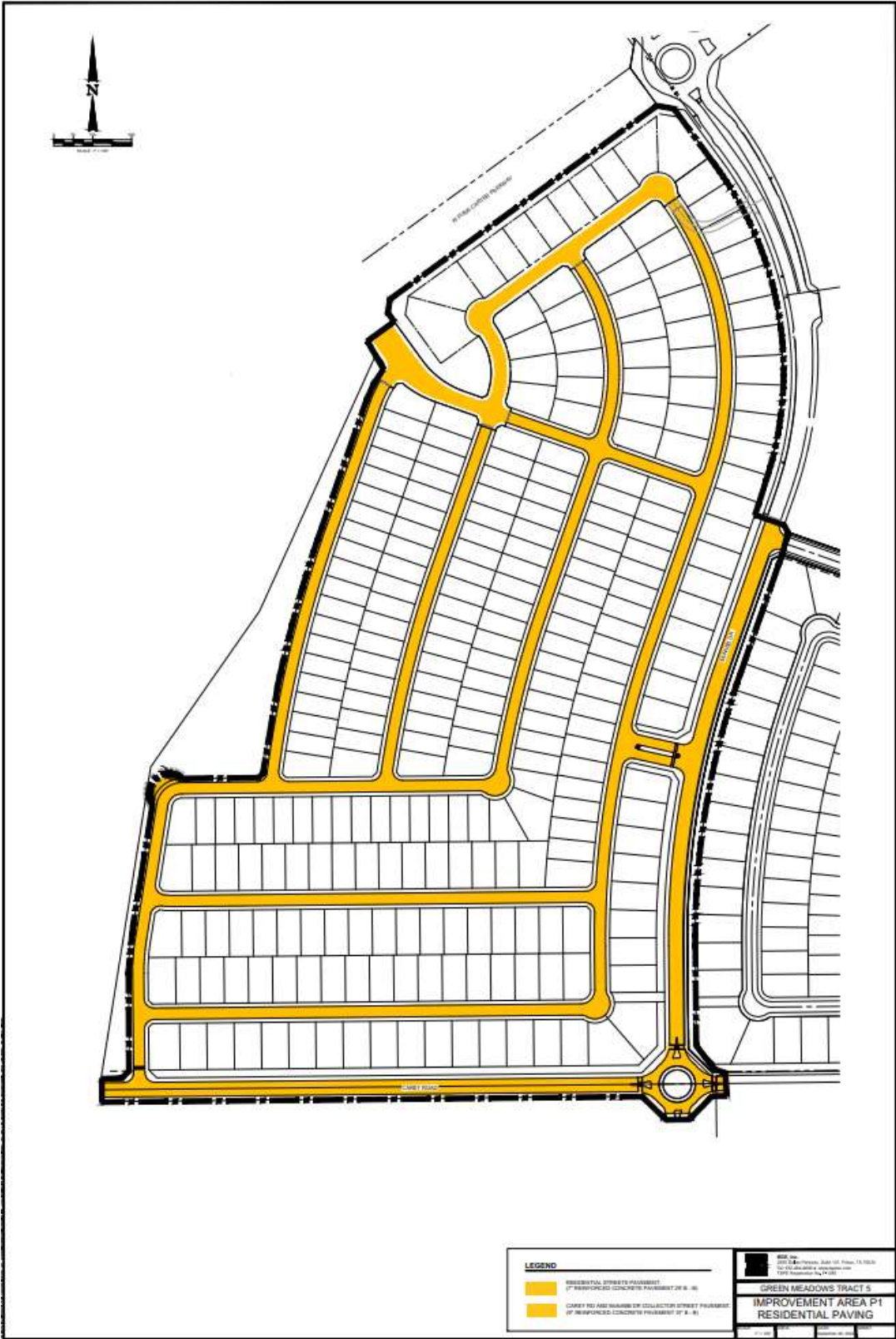
## **Exhibit G-4.2**

### **Maps of Improvement Area P1 Local Improvements**

# DRAINAGE IMPROVEMENTS

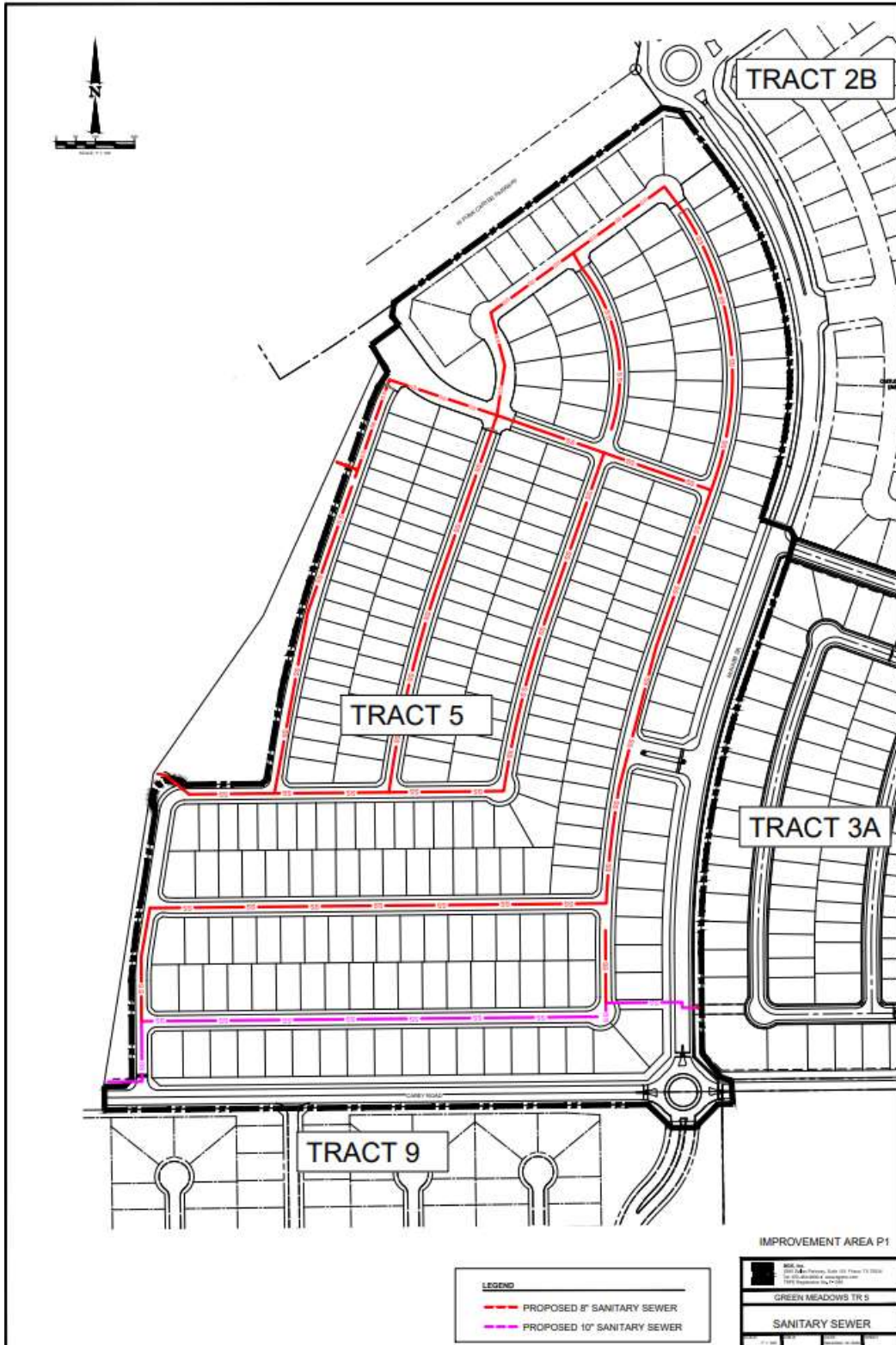


PAVING IMPROVEMENTS

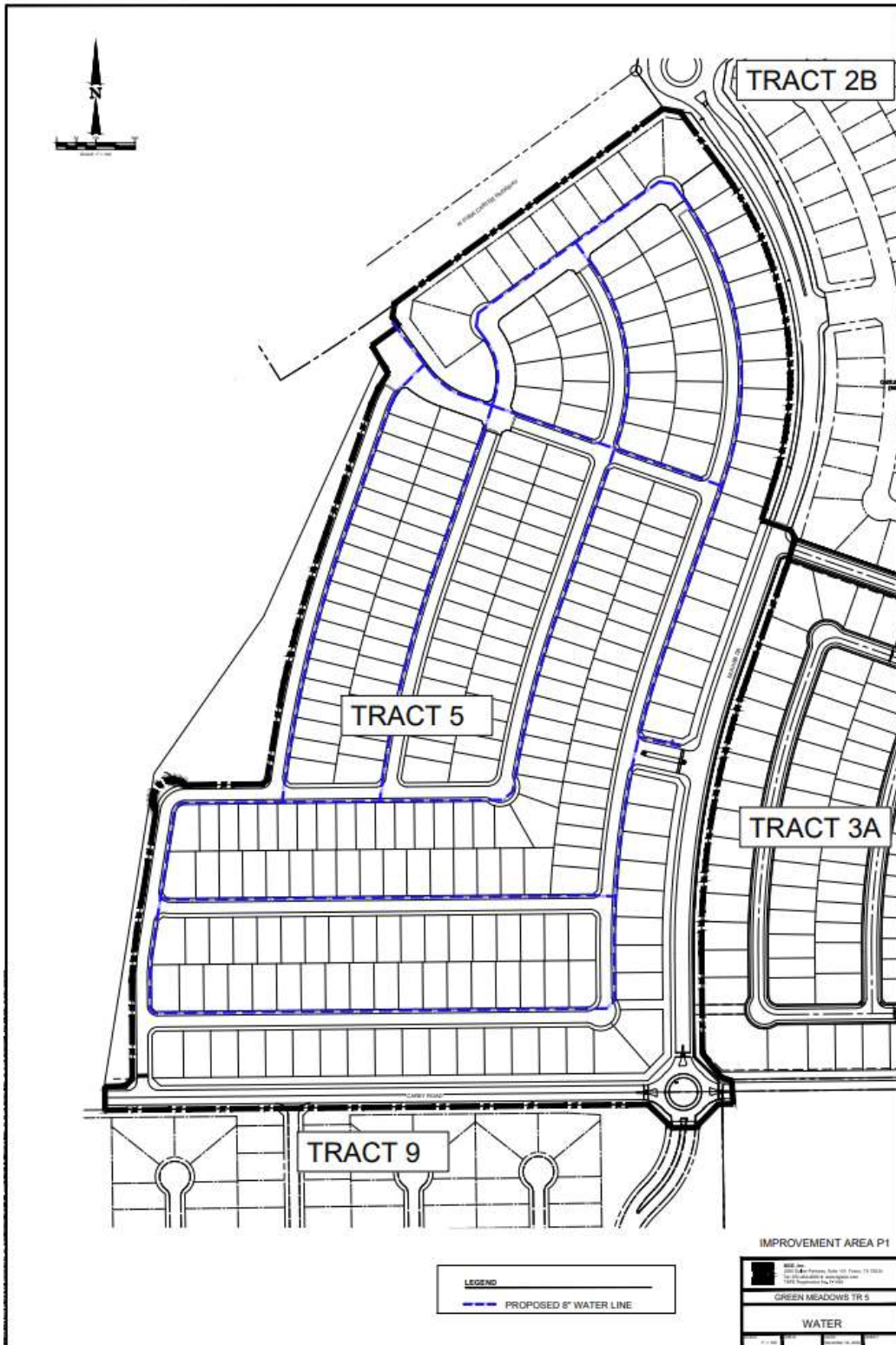




# SEWER IMPROVEMENTS



# WATER IMPROVEMENTS



# EXHIBIT H

## Maximum Assessments

### Major Improvement Area Assessment Per Lot & Projected Leverage

Lot Type	Quantity	Projected Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout Value	Total Assessments	Assessment per Lot	Finished Lot VTL	Finished Home VTL
40'	117	\$104,000	\$501,000	\$58,617,000	\$2,629,206	\$22,472	4.63	22.29
50'	1,016	\$143,000	\$645,531	\$655,859,496	\$29,417,907	\$28,955	4.94	22.29
60'	860	\$157,000	\$736,899	\$633,733,140	\$28,425,452	\$33,053	4.75	22.29
70'	581	\$186,000	\$835,238	\$485,273,278	\$21,766,436	\$37,464	4.96	22.29
<b>Total</b>	<b>2,574</b>			<b>\$1,833,482,914</b>	<b>\$82,239,000</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner. These reflect a blended average home value among Perry Homes, Tri Pointe Homes K. Hovnanian and Grand Homes.

### Major Improvement Area Projected Tax Rate Equivalent

Lot Type	Quantity	Projected Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout Value	Average Annual Installment	Average Annual Installment per Lot	TRE (per \$100 Lot Value)	TRE (per \$100 Home Value)
40'	117	\$104,000	\$501,000	\$58,617,000	\$215,583	\$1,843	1.77	0.37
50'	1,016	\$143,000	\$645,531	\$655,859,496	\$2,412,135	\$2,374	1.66	0.37
60'	860	\$157,000	\$736,899	\$633,733,140	\$2,330,758	\$2,710	1.73	0.37
70'	581	\$186,000	\$835,238	\$485,273,278	\$1,784,749	\$3,072	1.65	0.37
<b>Total</b>	<b>2,574</b>			<b>\$1,833,482,914</b>	<b>\$6,743,225</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner. These reflect a blended average home value among Perry Homes, Tri Pointe Homes K. Hovnanian and Grand Homes.



**Zone G MIA Assessment Per Lot & Projected Leverage**

Lot Type	Quantity	Projected Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout Value	Total Assessments	Assessment per Lot	Finished Lot VTL	Finished Home VTL
50'	403	\$143,000	\$645,531	\$260,148,993	\$11,668,717	\$28,955	4.94	22.29
60'	282	\$157,000	\$736,899	\$207,805,518	\$9,320,904	\$33,053	4.75	22.29
70'	173	\$186,000	\$835,238	\$144,496,174	\$6,481,228	\$37,464	4.96	22.29
<b>Total</b>	<b>858</b>			<b>\$612,450,685</b>	<b>\$27,470,849</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner. These reflect a blended average home value among Perry Homes, Tri Pointe Homes K. Hovnanian and Grand Homes.

**Zone K MIA Assessment Per Lot & Projected Leverage**

Lot Type	Quantity	Projected Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout Value	Total Assessments	Assessment per Lot	Finished Lot VTL	Finished Home VTL
50'	105	\$143,000	\$645,531	\$67,780,755	\$3,040,236	\$28,955	4.94	22.29
60'	77	\$157,000	\$736,899	\$56,741,223	\$2,545,069	\$33,053	4.75	22.29
70'	57	\$186,000	\$835,238	\$47,608,566	\$2,135,434	\$37,464	4.96	22.29
<b>Total</b>	<b>239</b>			<b>\$172,130,544</b>	<b>\$7,720,739</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner. These reflect a blended average home value among Perry Homes, Tri Pointe Homes K. Hovnanian and Grand Homes.

**Zone P MIA Assessment Per Lot & Projected Leverage**

Lot Type	Quantity	Projected Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout Value	Total Assessments	Assessment per Lot	Finished Lot VTL	Finished Home VTL
50'	294	\$143,000	\$645,531	\$189,786,114	\$8,512,662	\$28,955	4.94	22.29
60'	165	\$157,000	\$736,899	\$121,588,335	\$5,453,720	\$33,053	4.75	22.29
70'	151	\$186,000	\$835,238	\$126,120,938	\$5,657,026	\$37,464	4.96	22.29
<b>Total</b>	<b>610</b>			<b>\$437,495,387</b>	<b>\$19,623,408</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner. These reflect a blended average home value among Perry Homes, Tri Pointe Homes K. Hovnanian and Grand Homes.

**Future Zones MIA Assessment Per Lot & Projected Leverage**

Lot Type	Quantity	Projected Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout Value	Total Assessments	Assessment per Lot	Finished Lot VTL	Finished Home VTL
40'	117	\$104,000	\$501,000	\$58,617,000	\$2,629,206	\$22,472	4.63	22.29
50'	214	\$143,000	\$645,531	\$138,143,634	\$6,196,291	\$28,955	4.94	22.29
60'	336	\$157,000	\$736,899	\$247,598,064	\$11,105,758	\$33,053	4.75	22.29
70'	200	\$186,000	\$835,238	\$167,047,600	\$7,492,749	\$37,464	4.96	22.29
<b>Total</b>	<b>750</b>			<b>\$552,789,298</b>	<b>\$24,794,798</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner. These reflect a blended average home value among Perry Homes, Tri Pointe Homes K. Hovnanian and Grand Homes.

**IA G1A Assessment Per Lot & Projected Leverage**

Lot Type	Quantity	Projected			IA G1A Total Assessments	IA G1A		
		Finished Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout		Assessment per Lot	Finished Lot VTL	Finished Home VTL
G1A-50'	78	\$143,000	\$650,000	\$50,700,000	\$6,265,345	\$80,325	1.78	8.09
G1A-60'	55	\$157,000	\$780,000	\$42,900,000	\$5,301,446	\$96,390	1.63	8.09
G1A-70'	73	\$186,000	\$910,000	\$66,430,000	\$8,209,209	\$112,455	1.65	8.09
<b>Total</b>	<b>206</b>			<b>\$160,030,000</b>	<b>\$19,776,000</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner and based on pricing provided by Grand Homes.

**IA G1A Projected Tax Rate Equivalent**

Lot Type	Quantity	Projected			IA G1A Average Annual Installment	IA G1A Average		
		Finished Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout		Annual Installment per Lot	TRE (per \$100 Lot Value)	TRE (per \$100 Home Value)
G1A-50'	78	\$143,000	\$650,000	\$50,700,000	\$493,573	\$6,328	4.43	0.97
G1A-60'	55	\$157,000	\$780,000	\$42,900,000	\$417,639	\$7,593	4.84	0.97
G1A-70'	73	\$186,000	\$910,000	\$66,430,000	\$646,707	\$8,859	4.76	0.97
<b>Total</b>	<b>206</b>			<b>\$160,030,000</b>	<b>\$1,557,919</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner and based on pricing provided by Grand Homes.



**IA G1B Assessment Per Lot & Projected Leverage**

Lot Type	Quantity	Projected			IA G1B Total Assessments	IA G1B		
		Finished Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout		Assessment per Lot	Finished Lot VTL	Finished Home VTL
G1B-50'	78	\$143,000	\$650,000	\$50,700,000	\$6,246,855	\$80,088	1.79	8.12
G1B-60'	73	\$157,000	\$780,000	\$56,940,000	\$7,015,699	\$96,105	1.63	8.12
G1B-70'	28	\$186,000	\$910,000	\$25,480,000	\$3,139,445	\$112,123	1.66	8.12
<b>Total</b>	<b>179</b>			<b>\$133,120,000</b>	<b>\$16,402,000</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner and based on pricing provided by Grand Homes.

**IA G1B Projected Tax Rate Equivalent**

Lot Type	Quantity	Projected			IA G1B Average Annual Installment	IA G1B Average		
		Finished Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout		Annual Installment per Lot	TRE (per \$100 Lot Value)	TRE (per \$100 Home Value)
G1B-50'	78	\$143,000	\$650,000	\$50,700,000	\$495,044	\$6,347	4.44	0.98
G1B-60'	73	\$157,000	\$780,000	\$56,940,000	\$555,973	\$7,616	4.85	0.98
G1B-70'	28	\$186,000	\$910,000	\$25,480,000	\$248,791	\$8,885	4.78	0.98
<b>Total</b>	<b>179</b>			<b>\$133,120,000</b>	<b>\$1,299,808</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner and based on pricing provided by Grand Homes.

**IA K1 Assessment Per Lot & Projected Leverage**

Lot Type	Quantity	Projected			IA K1 Total Assessments	IA K1		Finished Home VTL
		Finished Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout		Assessment per Lot	Finished Lot VTL	
K1-50'	37	\$143,000	\$685,000	\$25,345,000	\$2,958,940	\$79,971	1.79	8.57
K1-60'	35	\$157,000	\$799,000	\$27,965,000	\$3,264,816	\$93,280	1.68	8.57
K1-70'	27	\$186,000	\$902,000	\$24,354,000	\$2,843,244	\$105,305	1.77	8.57
<b>Total</b>	<b>99</b>			<b>\$77,664,000</b>	<b>\$9,067,000</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner and based on pricing provided by K. Hovnanian.

**IA K1 Projected Tax Rate Equivalent**

Lot Type	Quantity	Projected			IA K1 Average Annual Installment	IA K1 Average		TRE (per \$100 Home Value)
		Finished Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout		Annual Installment per Lot	TRE (per \$100 Lot Value)	
K1-50'	37	\$143,000	\$685,000	\$25,345,000	\$241,099	\$6,516	4.56	0.95
K1-60'	35	\$157,000	\$799,000	\$27,965,000	\$266,022	\$7,601	4.84	0.95
K1-70'	27	\$186,000	\$902,000	\$24,354,000	\$231,672	\$8,580	4.61	0.95
<b>Total</b>	<b>99</b>			<b>\$77,664,000</b>	<b>\$738,794</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner and based on pricing provided by K. Hovnanian.

**IA P1 Assessment Per Lot & Projected Leverage**

Lot Type	Quantity	Projected			IA P1 Total Assessments	IA P1		
		Finished Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout		Assessment per Lot	Finished Lot VTL	Finished Home VTL
P1-50'	128	\$143,000	\$640,000	\$81,920,000	\$8,675,908	\$67,781	2.11	9.44
P1-60'	69	\$157,000	\$685,000	\$47,265,000	\$5,005,698	\$72,546	2.16	9.44
P1-70'	67	\$186,000	\$735,000	\$49,245,000	\$5,215,394	\$77,842	2.39	9.44
<b>Total</b>	<b>264</b>			<b>\$178,430,000</b>	<b>\$18,897,000</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner and based on pricing provided by Perry Homes.

**IA P1 Projected Tax Rate Equivalent**

Lot Type	Quantity	Projected			IA P1 Average Annual Installment	IA P1 Average		
		Finished Lot Value <sup>1</sup>	Projected Home Value <sup>2</sup>	Total Buildout		Annual Installment per Lot	TRE (per \$100 Lot Value)	TRE (per \$100 Home Value)
P1-50'	128	\$143,000	\$640,000	\$81,920,000	\$684,395	\$5,347	3.74	0.84
P1-60'	69	\$157,000	\$685,000	\$47,265,000	\$394,872	\$5,723	3.65	0.84
P1-70'	67	\$186,000	\$735,000	\$49,245,000	\$411,414	\$6,141	3.30	0.84
<b>Total</b>	<b>264</b>			<b>\$178,430,000</b>	<b>\$1,490,681</b>			

<sup>1</sup> Provided by the Appraiser.

<sup>2</sup> Estimates used to calculate Estimated Buildout Value provided by the Owner and based on pricing provided by Perry Homes.

# EXHIBIT I

## Form of Assessment Termination



Willdan Financial Services  
5500 Democracy Drive, Suite 100 + 130  
Plano, TX 75024

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[Date]  
Denton County Clerk's Office  
Honorable [County Clerk]  
1450 E McKinney St.  
Denton, TX 76209

**Re: Denton County Lien Release documents for filing**

Dear Ms./Mr. [County Clerk],

Enclosed is a lien release that Denton County, Texas is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents to my attention

Denton County, Texas  
Attn: County Clerk  
1450 E McKinney St  
Denton, TX 76209

Please contact me if you have any questions or need additional information.

Sincerely,  
[Signature]

Willdan Financial Services  
(972) 378-6588  
<https://willdan.com/>

**AFTER RECORDING RETURN TO:**

[County Clerk Name]  
1450 E McKinney St  
Denton, TX 76209

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.**

**FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN**

STATE OF TEXAS

§

**NOW ALL MEN BY THESE PRESENTS:**

§

COUNTY OF DENTON

§

**THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN** (this “Full Release”) is executed and delivered as of the Effective Date by Denton County, Texas, a political subdivision of the State of Texas (the “County”)

**RECITALS**

**WHEREAS**, the governing body (hereinafter referred to as the “Commissioners Court”) of the County is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the “Act”), to create public improvement districts within the County; and

**WHEREAS**, on November 19, 2024, the Commissioners Court approved a resolution, creating the Green Meadows Public Improvement District (the “District”); and

**WHEREAS**, the District consists of approximately 849.308 contiguous acres within the County; and

**WHEREAS**, on \_\_\_\_\_, the Commissioners Court approved Order No. \_\_\_\_\_ (hereinafter referred to as the “Assessment Order”) approving a service and assessment plan and assessment roll for the real property located within the District, the Assessment Order being recorded on \_\_\_\_\_, 20\_\_\_\_, as Instrument No. \_\_\_\_\_, in the Official Public Records of Denton County, Texas; and

**WHEREAS**, the Assessment Order imposed an assessment in the amount of [amount] (hereinafter referred to as the “Lien Amount”) and further imposed a lien to secure the payment of the Lien Amount (the “Lien”) against the following property located within the District, to wit:

[legal description], a subdivision in Denton County, Texas, according to the map or plat thereof recorded as Instrument No. \_\_\_\_\_ in the Map Records of Denton County, Texas (the “Property”);

and

**WHEREAS**, the Lien Amount has been paid in full.



**RELEASE**

**NOW THEREFORE**, for and in consideration of the full payment of the Lien Amount, the County hereby releases and discharges, and by these presents does hereby release and discharge, the Lien to the extent that it affects and encumbers the Property.

**EXECUTED** to be **EFFECTIVE** this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**DENTON COUNTY, TEXAS,**  
A political subdivision of the State of Texas,

By: \_\_\_\_\_  
[Name], County Judge

ATTEST:

\_\_\_\_\_  
[County Clerk Name], County Clerk

**STATE OF TEXAS**           §  
  §  
**COUNTY OF DENTON**       §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by [Name], County Judge for Denton County, Texas, a political subdivision of the State of Texas, on behalf of said county.

\_\_\_\_\_  
Notary Public, State of Texas

# EXHIBIT J-1

## Homebuyer Disclosure for 40' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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]<sup>4</sup>

<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-2

## Homebuyer Disclosure for 50' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-3

## Homebuyer Disclosure for 60' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment



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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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

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COUNTY OF \_\_\_\_\_

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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]<sup>4</sup>

<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-4

## Homebuyer Disclosure for 70' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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

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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]<sup>4</sup>

<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-5

## Homebuyer Disclosure for G1A-50' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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

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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]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.



# EXHIBIT J-6

## Homebuyer Disclosure for G1A-60' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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]<sup>4</sup>

<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-7

## Homebuyer Disclosure for G1A-70' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-8

## Homebuyer Disclosure for G1B-50' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-9

## Homebuyer Disclosure for G1B-60' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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]<sup>4</sup>

<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-10

## Homebuyer Disclosure for G1B-70' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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

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COUNTY OF \_\_\_\_\_

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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]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-11

## Homebuyer Disclosure for K1-50' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment



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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-12

## Homebuyer Disclosure for K1-60' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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]<sup>4</sup>

<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-13

## Homebuyer Disclosure for K1-70' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.



# EXHIBIT J-14

## Homebuyer Disclosure for P1-50' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-15

## Homebuyer Disclosure for P1-60' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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]<sup>4</sup>

<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT J-16

## Homebuyer Disclosure for P1-70' Residential Lots

AFTER RECORDING<sup>1</sup> RETURN TO:

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**NOTICE OF OBLIGATION TO PAY  
IMPROVEMENT DISTRICT ASSESSMENT  
TO DENTON COUNTY, TEXAS**

**CONCERNING THE FOLLOWING PROPERTY:**

\_\_\_\_\_  
**PROPERTY ADDRESS**

**OUTSTANDING PRINCIPAL OF THE AUTHORIZED IMPROVEMENT ASSESSMENT: \$\_\_\_\_\_**

As the purchaser of the real property described above, you are obligated to pay assessments to Denton County, Texas (the "County") for the costs of a portion of a public improvement or services project (the "**Authorized Improvements**"), undertaken for the benefit of the property within "**Green Meadows Public Improvement District**" (the "**District**") created under Subchapter A, Chapter 372, Texas Local Government Code, as amended.

**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 Denton County.<sup>2</sup> The exact amount of each annual installment will be approved each year by the Commissioners Court of the Denton County 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 County Clerk of Denton County, Texas.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

<sup>2</sup> An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.**

Signature Page to Initial Notice  
of Obligation to Pay Improvement District Assessment

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.

[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]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> 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]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

# EXHIBIT K-1

## Legal Description for District and Major Improvement Area

TRACT 1:

BEING A TRACT OF LAND LOCATED IN THE ROBERT COWAN SURVEY, ABSTRACT NO. 211, THE ANTHONY THOMASSON SURVEY, ABSTRACT No. 1265, THE BENJAMIN L. RUE SURVEY, ABSTRACT No. 1113, THE TEXAS & PACIFIC RAILROAD CO. SURVEY, ABSTRACT NO. 1299, THE THOMAS B. COX SURVEY, ABSTRACT NO. 309, THE JOHN MORTON SURVEY, ABSTRACT NO. 791, THE C. COPENHAVER SURVEY, ABSTRACT NO. 253 AND THE JOHN B. RUE SURVEY, ABSTRACT NO. 1112, DENTON COUNTY, TEXAS, BEING ALL OF TRACTS OF LAND DESCRIBED IN DEEDS TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NOS. 2006-15660, 2006-2064, 2006-77986, 2006-45938, 2006-2173, 2006-21488, 2005-160823, 2005-102910, 2017-120458, 2015-52357, 2015-52666, 2015-52800, 2015-52804, 2015-52807, 2015-53058, 2016-143508, 2018-113247, 2018-113248, 2018-113251, AND 2018-113254, OFFICAL RECORDS, DENTON COUNTY, TEXAS (O.R.D.C.T.), AND BEING PORTIONS OF TRACTS OF LAND DESCRIBED IN DEEDS TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NOS. 2005-102909 AND 2005-88401, O.R.D.C.T., AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND IN AN EAST LINE OF A TRACT OF LAND DESCRIBED IN A TRUSTEE'S DEED TO RITA L. SORRELLS, RECORDED IN DOCUMENT NO. 99-0068678, O.R.D.C.T., SAID IRON ROD ALSO BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T.;

THENCE NORTH 00°19'22" WEST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T. AND AN EAST LINE OF SAID SORRELLS TRACT, A DISTANCE OF 1325.01 FEET TO A 3/4" IRON ROD FOUND, BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T. AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO PUNKADILLY, LTD., RECORDED IN DOCUMENT NO. 2011-37656, O.R.D.C.T.;

THENCE NORTH 89°41'15" EAST, DEPARTING AN EAST LINE OF SAID SORRELLS TRACT AND ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T. AND ALONG THE SOUTH LINE OF SAID PUNKADILLY TRACT, A DISTANCE OF 2040.76 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING IN THE WEST LINE OF A TRACT OF LAND DESCRIBED AS A CALLED 85.17 ACRE TRACT IN TRACT 2 OF THE DEED TO SMILEY ROAD, LTD. RECORDED IN DOCUMENT NO. 2005-102909, O.R.D.C.T., THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T. AND THE SOUTHEAST CORNER OF SAID PUNKADILLY TRACT;

THENCE NORTH 00°23'08" WEST, ALONG THE WEST LINE OF SAID 85.17 ACRE TRACT, THE EAST LINE OF SAID PUNKADILLY TRACT AND THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T., A DISTANCE OF 1321.66 FEET TO A POINT, BEING THE NORTHEAST CORNER OF SAID PUNKADILLY TRACT AND THE SOUTHEAST CORNER OF A RIGHT-OF-WAY DEDICATION AS SHOWN ON THE PLAT OF WILLOW WOOD, AN ADDITION TO THE COUNTY OF

DENTON, TEXAS, ACCORDING TO THE PLAT RECORDED IN CABINET M, PAGE 260, PLAT RECORDS, DENTON COUNTY, TEXAS (P.R.D.C.T.);

THENCE NORTH 00°15'28" EAST, ALONG THE EAST LINE OF SAID RIGHT-OF-WAY DEDICATION AND THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T., A DISTANCE OF 370.59 FEET TO 1/2" IRON ROD FOUND, BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T. AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO DONALD C. MCCARTY AND JUDITH L. MCCARTY RECORDED IN DOCUMENT NO. 99-0027582, O.R.D.C.T.;

THENCE SOUTH 89°56'03" EAST, DEPARTING THE EAST LINE OF SAID RIGHT-OF-WAY DEDICATION AND ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T. AND THE SOUTH LINE OF SAID MCCARTY TRACT, AT A DISTANCE OF 1742.68 FEET, PASSING A POINT IN THE WEST LINE OF SAID 150.69 ACRE TRACT, SAID POINT BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T. AND THE SOUTHEAST CORNER OF SAID MCCARTY TRACT, CONTINUING IN ALL A TOTAL DISTANCE OF 2600.60 FEET TO A POINT, BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

THENCE SOUTHWESTERLY, AN ARC LENGTH OF 486.78 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 940.00 FEET, A DELTA ANGLE OF 29°40'16", AND A CHORD BEARING OF SOUTH 14°21'00" WEST, 481.36 FEET TO A POINT, BEING THE BEGINNING OF A REVERSE CURVE TO THE LEFT;

THENCE SOUTHERLY, AN ARC LENGTH OF 600.05 FEET ALONG SAID REVERSE CURVE TO THE LEFT, HAVING A RADIUS OF 560.00 FEET, A DELTA ANGLE OF 61°23'37" AND A CHORD BEARING OF SOUTH 01°30'40" EAST, 571.75 FEET TO A POINT;

THENCE SOUTH 32°12'29" EAST, A DISTANCE OF 137.65 FEET TO A POINT, BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE NORTHEASTERLY, AN ARC LENGTH OF 327.64 FEET ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 4060.00 FEET, A DELTA ANGLE OF 04°37'25", AND A CHORD BEARING OF NORTH 56°20'52" EAST, 327.55 FEET TO A POINT;

THENCE NORTH 54°02'09" EAST, A DISTANCE OF 874.56 FEET TO A POINT;

THENCE SOUTH 80°55'17" EAST, A DISTANCE OF 42.42 FEET TO A POINT;

THENCE SOUTH 35°57'51" EAST, A DISTANCE OF 180.66 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE SOUTHERLY, AN ARC LENGTH OF 847.55 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 910.00 FEET, A DELTA ANGLE OF 53°21'49", AND A CHORD BEARING OF SOUTH 09°16'56" EAST, 817.24 FEET TO A POINT;

THENCE SOUTH 17°23'58" WEST, A DISTANCE OF 70.75 FEET TO A POINT;

THENCE SOUTH 19°18'55" WEST, A DISTANCE OF 26.81 FEET TO A POINT;



THENCE SOUTH 70°41'05" EAST, A DISTANCE OF 80.00 FEET TO A POINT;

THENCE SOUTH 25°41'04" EAST, A DISTANCE OF 21.21 FEET TO A POINT;

THENCE SOUTH 70°41'03" EAST, A DISTANCE OF 892.93 FEET TO A POINT;

THENCE NORTH 19°18'55" EAST, A DISTANCE OF 88.26 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE LEFT;

THENCE NORTHERLY, AN ARC LENGTH OF 829.38 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 1935.00 FEET, A DELTA ANGLE OF 24°33'29", AND A CHORD BEARING OF NORTH 07°02'10" EAST, 823.04 FEET TO A POINT, BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE NORTHEASTERLY, AN ARC LENGTH OF 808.34 FEET ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 2180.00 FEET, A DELTA ANGLE OF 21°14'42", AND A CHORD BEARING OF NORTH 61°00'15" EAST, 803.71 FEET TO A POINT;

THENCE NORTH 81°10'33" EAST, A DISTANCE OF 50.00 FEET TO A POINT;

THENCE NORTH 12°23'11" WEST, A DISTANCE OF 21.75 FEET TO A POINT;

THENCE NORTH 64°22'06" EAST, A DISTANCE OF 139.86 FEET TO A POINT IN THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO SREE INVESTMENTS, LLC, RECORDED IN DOCUMENT NO. 2016-3796, O.R.D.C.T., FROM WHICH A 1/2" IRON ROD FOUND BEARS NORTH 00°18'16" WEST, 820.89 FEET, SAID IRON ROD BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., AND THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO PAUL W. STILES, RECORDED IN VOLUME 4863, PAGE 2543, DEED RECORDS, DENTON COUNTY, TEXAS (D.R.D.C.T.);

THENCE SOUTH 00°18'16" EAST, ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., AND THE WEST LINE OF SAID SREE TRACT, A DISTANCE OF 236.13 FEET TO A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE), SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID SREE TRACT AND THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T.;

THENCE NORTH 89°18'29" EAST, DEPARTING THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., ALONG THE SOUTH LINE OF SAID SREE TRACT AND THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AT A DISTANCE OF 892.73 FEET, PASSING A POINT, FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "PREMIER SURVEYING" BEARS SOUTH 00°41'31" EAST, 1.24 FEET, SAID POINT BEING THE SOUTHEAST CORNER OF SAID SREE TRACT AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO WEN CHEN, TIMOTHY WANG, XIANQUN WANG, RENLONG XIA & AMY ZHENG RECORDED IN DOCUMENT NO. 2011-92113, O.R.D.C.T., CONTINUING ALONG THE SOUTH LINE OF SAID WEN CHEN, TIMOTHY WANG, XIANQUN WANG, RENLONG XIA & AMY ZHENG TRACT, IN ALL A TOTAL DISTANCE OF 1199.23 FEET TO A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE), SAID IRON ROD BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AND THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A

DEED TO RICK D. NELSON AND TRAYCE TRAVIS NELSON RECORDED IN VOLUME 1692, PAGE 341, D.R.D.C.T.;

THENCE SOUTH 00°19'16" EAST, ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., A DISTANCE OF 1993.07 FEET TO A POINT IN THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO AMIR LOLOI AND SUSAN LOLOI, RECORDED IN DOCUMENT NUMBER 2006-152722, O.R.D.C.T.

THENCE SOUTH 89°25'19" WEST, DEPARTING THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AND THE WEST LINE OF SAID LOLOI TRACT, 959.99 FEET TO A POINT;

THENCE SOUTH 00°47'29" EAST, 227.10 FEET TO A POINT;

THENCE NORTH 89°25'19" EAST, 958.12 FEET TO A POINT IN THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AND THE WEST LINE OF SAID LOLOI TRACT;

THENCE SOUTH 00°19'16" EAST, ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AND THE WEST LINE OF SAID LOLOI TRACT, 22.87 FEET TO A 3/8" IRON ROD FOUND IN CAREY ROAD (A 60 FOOT WIDE PRESCRIPTIVE RIGHT-OF-WAY), SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T.;

THENCE SOUTH 89°18'26" WEST, ALONG SAID CAREY ROAD AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AT A DISTANCE OF 1198.75 FEET, PASSING A POINT, FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "ALLIANCE" BEARS SOUTH 00°20'00" EAST, 0.39 FEET, SAID POINT BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AND THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., CONTINUING ALONG SAID CAREY ROAD AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., IN ALL A TOTAL DISTANCE OF 3196.46 FEET TO A RAILROAD SPIKE FOUND, BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T.;

THENCE SOUTH 89°24'49" WEST, A DISTANCE OF 48.26 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "PIBURN PARTNERS", BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T.;

THENCE SOUTH 00°48'51" EAST, ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T., AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO WEST CELINA 86 PARTNERS, LTD., RECORDED IN DOCUMENT NO. 2015-23235, O.R.D.C.T., A DISTANCE OF 1777.29 FEET TO A 1/2" IRON ROD FOUND IN THE NORTH LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO MERRITT/THORNTON MANAGEMENT COMPANY, L.L.C. RECORDED IN VOLUME 4428, PAGE 2046, D.R.D.C.T., SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T.;



THENCE SOUTH 89°14'06" WEST, ALONG THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T. AND THE NORTH LINE OF SAID MERRITT/THORNTON TRACT, A DISTANCE OF 1501.62 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID MERRITT/THORNTON MANAGEMENT COMPANY TRACT AND THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T.;

THENCE SOUTH 01°50'16" WEST, DEPARTING THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T., ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T. AND THE WEST LINE OF SAID MERRITT/THORNTON TRACT, A DISTANCE OF 654.51 FEET TO A 1/2" IRON ROD FOUND, BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T., AND THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO JAMES H. MERRITT, III RECORDED IN DOCUMENT NO. 95-R0068384, O.R.D.C.T.;

THENCE SOUTH 89°53'39" WEST, ALONG THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T., AND THE NORTH LINE OF SAID MERRITT TRACT, A DISTANCE OF 1903.85 FEET TO A 3/8" IRON ROD FOUND IN SMILEY ROAD (A 60 FOOT WIDE PRESCRIPTIVE RIGHT-OF-WAY), AND IN THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T., AND THE NORTHWEST CORNER OF SAID MERRITT TRACT;

THENCE SOUTH 00°07'31" EAST, ALONG SAID SMILEY ROAD, THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., THE WEST LINE OF SAID MERRITT TRACT, AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO CLAUDE WAYNE ADAMS & KATHLEEN ANN ADAMS RECORDED IN VOLUME 990, PAGE 32, D.R.D.C.T., AT A DISTANCE OF 1365.67 FEET, PASSING A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE), SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., THE SOUTHWEST CORNER OF SAID ADAMS TRACT AND THE NORTHWEST CORNER OF A 30 FOOT RIGHT-OF-WAY DEDICATION AS SHOWN ON THE PLAT OF SMILEY ACRES, AN ADDITION TO THE COUNTY OF DENTON, TEXAS, ACCORDING TO THE PLAT RECORDED IN CABINET D, PAGE 324, P.R.D.C.T., CONTINUING ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., THE WEST LINE OF SAID RIGHT-OF-WAY DEDICATION, AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO TEEL LAKES, LLC RECORDED IN DOCUMENT NO. 2009-126512, O.R.D.C.T., IN ALL A TOTAL DISTANCE OF 3567.93 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO BORGATA, LLC, RECORDED IN DOCUMENT NO. 2014-49291, O.R.D.C.T.;

THENCE ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AS FOLLOWS:

(1) SOUTH 68°32'18" WEST, ALONG THE NORTH LINE OF SAID BORGATA TRACT, AT A DISTANCE OF 38.06 FEET PASSING A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700" AND CONTINUING IN ALL A TOTAL DISTANCE OF 684.74 FEET TO A 1/2" IRON ROD FOUND, BEING THE NORTHWEST CORNER OF SAID BORGATA TRACT;

(2) SOUTH  $21^{\circ}28'10''$  EAST, ALONG THE WEST LINE OF SAID BORGATA TRACT, A DISTANCE OF 986.29 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700";

(3) SOUTH  $09^{\circ}23'43''$  WEST, CONTINUING ALONG THE WEST LINE OF SAID BORGATA TRACT, A DISTANCE OF 101.52 FEET TO A 1/2" IRON ROD FOUND IN THE NORTHWEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO SALVADOR N. BUENTELLO, JR. AND JERE BUENTELLO RECORDED IN VOLUME 2633, PAGE 648, D.R.D.C.T., SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID BORGATA TRACT;

(4) SOUTH  $31^{\circ}20'08''$  WEST, ALONG THE NORTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 360.15 FEET TO A 1/2" IRON ROD FOUND;

(5) SOUTH  $43^{\circ}12'13''$  WEST, CONTINUING ALONG THE NORTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 258.66 FEET TO A 1/2" IRON ROD FOUND, BEING THE MOST WESTERLY CORNER OF SAID BUENTELLO TRACT;

(6) SOUTH  $34^{\circ}05'01''$  EAST, ALONG THE SOUTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 321.24 FEET TO A 1/2" IRON ROD FOUND IN THE NORTH LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., THE MOST SOUTHERLY SOUTHWEST CORNER OF SAID BUENTELLO TRACT, AND IN THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "JANUARY CONSULTANTS" BEARS SOUTH  $72^{\circ}43'$  EAST, 2.0 FEET;

HENCE NORTH  $83^{\circ}53'57''$  EAST, ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE SOUTH LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 127.83 FEET TO A 60D NAIL FOUND IN PARVIN ROAD (60 FOOT WIDE PRESCRIPTIVE RIGHT-OF-WAY);

HENCE ALONG SAID PARVIN ROAD AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AS FOLLOWS:

(1) SOUTH  $70^{\circ}28'11''$  WEST, A DISTANCE OF 3.77 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE LEFT;

(2) SOUTHWESTERLY, AN ARC LENGTH OF 372.52 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 1000.00 FEET, A DELTA ANGLE OF  $21^{\circ}20'38''$ , AND A CHORD BEARING OF SOUTH  $59^{\circ}45'11''$  WEST, 370.37 FEET TO A POINT;

(3) SOUTH  $49^{\circ}04'52''$  WEST, A DISTANCE OF 345.20 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE RIGHT;

(4) SOUTHWESTERLY, AN ARC LENGTH OF 205.67 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 300.00 FEET, A DELTA ANGLE OF  $39^{\circ}16'51''$ , AND A CHORD BEARING OF SOUTH  $68^{\circ}43'16''$  WEST, 201.67 FEET TO A POINT;

(5) SOUTH  $88^{\circ}21'40''$  WEST, A DISTANCE OF 580.48 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE LEFT;



(6) SOUTHWESTERLY, AN ARC LENGTH OF 176.08 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 425.00 FEET, A DELTA ANGLE OF 23°44'15", AND A CHORD BEARING OF SOUTH 76°29'33" WEST, 174.82 FEET TO A POINT, BEING THE BEGINNING OF A COMPOUND CURVE TO THE LEFT;

(7) SOUTHWESTERLY, AN ARC LENGTH OF 23.05 FEET ALONG SAID COMPOUND CURVE TO THE LEFT, HAVING A RADIUS OF 75.00 FEET, A DELTA ANGLE OF 17°36'34", AND A CHORD BEARING OF SOUTH 55°49'02" WEST, 22.96 FEET TO A POINT;

(8) SOUTH 53°04'15" WEST, A DISTANCE OF 28.85 FEET TO A POINT, BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO JO LYNN CAREY NINEMIRE, LAURA JEAN CAREY VARNER, AND MARK CARLTON CAREY, RECORDED IN DOCUMENT NO. 2014-16824, O.R.D.C.T., AND THE MOST SOUTHERLY SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED AS "FIRST TRACT" IN A DEED TO BRICE JACKSON, BOBBY C. JACKSON, AND NOLAN P. JACKSON, RECORDED IN VOLUME 4910, PAGE 2975, D.R.D.C.T.;

THENCE NORTH 02°04'42" EAST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE MOST SOUTHERLY EAST LINE OF SAID JACKSON TRACT, A DISTANCE OF 568.51 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "SPIARS ENG", SAID IRON ROD BEING A RE-ENTRANT CORNER OF SAID JACKSON TRACT AND THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T.;

THENCE NORTH 89°28'31" EAST, ALONG A NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE MOST EASTERLY SOUTH LINE OF SAID JACKSON TRACT, A DISTANCE OF 582.75 FEET TO AN EYE BOLT FOUND, BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE MOST EASTERLY SOUTHEAST CORNER OF SAID JACKSON TRACT;

THENCE NORTH 00°38'10" WEST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE EAST LINE OF SAID JACKSON TRACT, AT A DISTANCE OF 1047.10 FEET, PASSING A POINT, FROM WHICH AN EYE BOLT UNDER A FENCE BEARS SOUTH 89°21' WEST, 0.6 FEET, CONTINUING IN ALL A TOTAL DISTANCE OF 2646.23 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700", SAID IRON ROD BEING AN ELL CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T. AND THE NORTHEAST CORNER OF SAID JACKSON TRACT;

THENCE SOUTH 89°13'46" WEST, ALONG THE MOST WESTERLY SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., THE NORTH LINE OF SAID JACKSON TRACT AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., AT A DISTANCE OF 1482.92 FEET, PASSING A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700", FROM WHICH A PIPE FENCE POST BEARS SOUTH 10°42' WEST, 0.6 FEET, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID JACKSON TRACT AND THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO JO LYNN CAREY NINEMIRE, LAURA JEAN CAREY VARNER & MARK CARLTON CAREY, RECORDED IN DOCUMENT NO. 2014-16824, O.R.D.C.T., CONTINUING ALONG THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T. AND THE NORTH LINE OF SAID NINEMIRE, VARNER & CAREY

TRACT, IN ALL A TOTAL DISTANCE OF 2481.91 FEET TO A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE), BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., AND THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED AS TRACT 4 IN A DEED TO CADG SUTTON FIELDS, LLC RECORDED IN DOCUMENT NO. 2015-15963, O.R.D.C.T.;

THENCE NORTH 00°23'13" WEST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., AND THE EAST LINE OF SAID CADG SUTTON FIELDS TRACT, A DISTANCE OF 2685.00 FEET TO A 1/2" IRON ROD FOUND IN THE SOUTH LINE OF SAID SORRELLS TRACT, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T. AND THE NORTHEAST CORNER OF SAID CADG SUTTON FIELDS TRACT;

THENCE NORTH 89°30'13" EAST, ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., AND THE SOUTH LINE OF SAID SORRELLS TRACT, A DISTANCE OF 830.46 FEET TO A 1/2" IRON ROD FOUND, BEING THE MOST WESTERLY SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T. AND THE SOUTHEAST CORNER OF SAID SORRELLS TRACT;

THENCE NORTH 00°53'50" WEST, DEPARTING THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., AND AN EAST LINE OF SAID SORRELLS TRACT, A DISTANCE OF 865.40 FEET TO A BOIS D'ARC FENCE POST FOUND, BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T. AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO MARTHA KING AND PEGGY EARTHMAN RECORDED IN VOLUME 3410, PAGE 811, D.R.D.C.T.;

THENCE ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T. AS FOLLOWS:

(1) NORTH 89°10'42" EAST, ALONG THE SOUTH LINE OF SAID KING AND EARTHMAN TRACT, A DISTANCE OF 2745.66 FEET TO A POINT, IN SAID SMILEY ROAD BEING THE SOUTHEAST CORNER OF SAID KING AND EARTHMAN TRACT AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO SANGANI PROPERTIES, LTD., RECORDED IN DOCUMENT NO. 2004-35477, O.R.D.C.T.;

(2) NORTH 89°17'22" EAST, ALONG SAID SMILEY ROAD AND THE SOUTH LINE OF SAID SANGANI TRACT, A DISTANCE OF 269.35 FEET TO A POINT, BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., AND THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO ANN A. KEIFER AND PAUL R. KEIFER RECORDED IN VOLUME 4589, PAGE 1880, D.R.D.C.T.;

THENCE SOUTH 00°06'01" EAST, ALONG SAID SMILEY ROAD, THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T. AND THE WEST LINE OF SAID KEIFER TRACT, A DISTANCE OF 376.75 FEET TO A 3/8" IRON ROD FOUND, BEING THE SOUTHWEST CORNER OF SAID KEIFER TRACT AND THE MOST WESTERLY NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T.;



THENCE NORTH 89°05'08" EAST, DEPARTING SAID SMILEY ROAD, THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., AND ALONG THE MOST WESTERLY NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T. AND THE SOUTH LINE OF SAID KEIFER TRACT, A DISTANCE OF 925.13 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700", BEING THE SOUTHEAST CORNER OF SAID KEIFER TRACT;

THENCE NORTH 00°04'09" WEST, ALONG THE MOST NORTHERLY WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T. AND THE EAST LINE OF SAID KEIFER TRACT, A DISTANCE OF 377.27 FEET TO A 1/2" IRON ROD FOUND IN THE SOUTH LINE OF SAID SANGANI TRACT, SAID IRON ROD BEING THE NORTHEAST CORNER OF SAID KEIFER TRACT AND THE MOST NORTHERLY NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T.;

THENCE ALONG THE MOST NORTHERLY NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T AND THE SOUTH LINE OF SAID SANGANI TRACT AS FOLLOWS:

(1) NORTH 89°17'39" EAST, A DISTANCE OF 115.47 FEET TO A 1/2" IRON ROD FOUND;

(2) NORTH 89°11'07" EAST, A DISTANCE OF 378.27 FEET TO A 1/2" IRON ROD FOUND, BEING THE SOUTHEAST CORNER OF SAID SANGANI TRACT AND THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T.;

THENCE NORTH 00°28'30" WEST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T., THE EAST LINE OF SAID SANGANI TRACT, AND THE EAST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO DON F. KENDALL & JULIA P. KENDALL, TRUSTEES OF THE KENDALL LIVING TRUST, RECORDED IN DOCUMENT NO. 2012-134665, O.R.D.C.T., A DISTANCE OF 1785.94 FEET TO A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE) IN SAID CAREY ROAD, IN THE SOUTH LINE OF SAID 85.17 ACRE TRACT, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T., AND THE NORTHEAST CORNER OF SAID KENDALL TRACT;

THENCE SOUTH 89°22'32" WEST, ALONG SAID CAREY ROAD, THE SOUTH LINE OF SAID 85.17 ACRE TRACT, AND THE NORTH LINE OF SAID KENDALL TRACT, A DISTANCE OF 1685.69 FEET TO A 80D NAIL FOUND IN SAID SMILEY ROAD, BEING THE SOUTHWEST CORNER OF SAID 85.17 ACRE TRACT, THE NORTHWEST CORNER OF SAID KENDALL TRACT, THE NORTHEAST CORNER OF SAID KING AND EARTHMAN TRACT, AND THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T.;

THENCE SOUTH 89°44'12" WEST, DEPARTING SAID SMILEY ROAD, ALONG THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T., AND THE NORTH LINE OF SAID KING AND EARTHMAN TRACT, A DISTANCE OF 2042.09 FEET TO THE PLACE OF BEGINNING AND CONTAINING 904.276 ACRES (39,390,280 SQUARE FEET) OF LAND, MORE OR LESS.

SAVE AND EXCEPT:

BEING A TRACT OF LAND LOCATED IN THE JOHN B. RUE SURVEY, ABSTRACT No. 1112, AND THE BENJAMIN L. RUE SURVEY, ABSTRACT NO. 1113, DENTON COUNTY, TEXAS, BEING ALL OF A TRACT OF LAND DESCRIBED IN A DEED TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NO. 2017-120458, OFFICIAL RECORDS, DENTON COUNTY, TEXAS (O.R.D.C.T.), A PORTION OF A TRACT OF LAND DESCRIBED IN A DEED TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND IN SMILEY ROAD (A PRESCRIPTIVE RIGHT-OF-WAY), BEING IN THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO TEEL LAKES, LLC, RECORDED IN DOCUMENT NO. 2009-126512, O.R.D.C.T., AND BEING THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO BORGATA, LLC, RECORDED IN DOCUMENT NO. 2014-49291, O.R.D.C.T.;

THENCE ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AS FOLLOWS:

(1) S 68°32'18" W, ALONG THE NORTH LINE OF SAID BORGATA TRACT, AT A DISTANCE OF 38.06 FEET PASSING A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700" AND CONTINUING IN ALL A TOTAL DISTANCE OF 684.74 FEET TO A 1/2" IRON ROD FOUND, BEING THE NORTHWEST CORNER OF SAID BORGATA TRACT;

(2) S 21°28'10" E, ALONG THE WEST LINE OF SAID BORGATA TRACT, A DISTANCE OF 986.29 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700";

(3) S 09°23'43" W, CONTINUING ALONG THE WEST LINE OF SAID BORGATA TRACT, A DISTANCE OF 101.52 FEET TO A 1/2" IRON ROD FOUND IN THE NORTHWEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO SALVADOR N. BUENTELLO, JR. AND JERE BUENTELLO RECORDED IN VOLUME 2633, PAGE 648, DEED RECORDS, DENTON COUNTY, TEXAS (D.R.D.C.T.), SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID BORGATA TRACT;

(4) S 31°20'08" W, ALONG THE NORTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 360.15 FEET TO A 1/2" IRON ROD FOUND;

(5) S 43°12'13" W, CONTINUING ALONG THE NORTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 258.66 FEET TO A 1/2" IRON ROD FOUND, BEING THE MOST WESTERLY CORNER OF SAID BUENTELLO TRACT;

(6) S 34°05'01" E, ALONG THE SOUTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 321.24 FEET TO A 1/2" IRON ROD FOUND IN THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE MOST SOUTHERLY SOUTHWEST CORNER OF SAID BUENTELLO TRACT, FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "JANUARY CONSULTANTS" BEARS S 72°43' E, 2.0 FEET;

THENCE N 83°53'57" E, ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE SOUTH LINE OF SAID BUENTELLO TRACT, A



DISTANCE OF 127.83 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" IN PARVIN ROAD (60 FOOT WIDE PRESCRIPTIVE RIGHT-OF-WAY);

THENCE ALONG SAID PARVIN ROAD AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AS FOLLOWS:

(1) S 70°28'11" W, A DISTANCE OF 3.77 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE LEFT;

(2) SOUTHWESTERLY, AN ARC LENGTH OF 372.52 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 1000.00 FEET, A DELTA ANGLE OF 21°20'38", AND A CHORD BEARING OF S 59°45'11" W, 370.37 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

(3) S 49°04'52" W, A DISTANCE OF 345.20 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A CURVE TO THE RIGHT;

(4) SOUTHWESTERLY, AN ARC LENGTH OF 205.67 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 300.00 FEET, A DELTA ANGLE OF 39°16'51", AND A CHORD BEARING OF S 68°43'16" W, 201.67 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

(5) S 88°21'40" W, A DISTANCE OF 580.48 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A CURVE TO THE LEFT;

(6) SOUTHWESTERLY, AN ARC LENGTH OF 176.08 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 425.00 FEET, A DELTA ANGLE OF 23°44'15", AND A CHORD BEARING OF S 76°29'33" W, 174.82 FEET TO A MAG NAIL SET, BEING THE BEGINNING OF A COMPOUND CURVE TO THE LEFT;

(7) SOUTHWESTERLY, AN ARC LENGTH OF 23.05 FEET ALONG SAID COMPOUND CURVE TO THE LEFT, HAVING A RADIUS OF 75.00 FEET, A DELTA ANGLE OF 17°36'34", AND A CHORD BEARING OF S 55°49'02" W, 22.96 FEET TO A MAG NAIL SET;

(8) S 53°04'15" W, A DISTANCE OF 28.85 FEET TO A MAG NAIL SET, BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO JO LYNN CAREY NINEMIRE, LAURA JEAN CAREY VARNER, AND MARK CARLTON CAREY, RECORDED IN DOCUMENT NO. 2014-16824, O.R.D.C.T., AND THE MOST SOUTHERLY SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED AS "FIRST TRACT" IN A DEED TO BRICE JACKSON, BOBBY C. JACKSON, AND NOLAN P. JACKSON, RECORDED IN VOLUME 4910, PAGE 2975, D.R.D.C.T.;

THENCE N 02°04'42" E, DEPARTING PARVIN ROAD, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE MOST SOUTHERLY EAST LINE OF SAID JACKSON TRACT, A DISTANCE OF 568.51 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "SPIARS ENG", SAID IRON ROD BEING A RE-ENTRANT CORNER OF SAID JACKSON TRACT AND THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T.;

THENCE N 89°28'31" E, ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE MOST EASTERLY SOUTH LINE OF SAID JACKSON TRACT, A DISTANCE OF 582.75 FEET TO AN EYE BOLT FOUND, BEING THE SOUTHWEST CORNER OF

SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE MOST EASTERLY SOUTHEAST CORNER OF SAID JACKSON TRACT;

THENCE N 00°38'10" W, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE EAST LINE OF SAID JACKSON TRACT, AT A DISTANCE OF 1047.10 FEET, PASSING A POINT, FROM WHICH AN EYE BOLT UNDER A FENCE BEARS S 89°21' W, 0.6 FEET, CONTINUING IN ALL A TOTAL DISTANCE OF 2213.09 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 89°53'12" E, DEPARTING THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE EAST LINE OF SAID JACKSON TRACT, A DISTANCE OF 1335.44 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" IN SAID SMILEY ROAD, IN THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND IN THE WEST LINE OF SAID TEEL LAKES TRACT;

THENCE S 00°07'31" E, ALONG SAID SMILEY ROAD, THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE WEST LINE OF SAID TEEL LAKES TRACT, A DISTANCE OF 197.10 FEET TO THE PLACE OF BEGINNING AND CONTAINING 59.968 ACRES (2,612,202 SQUARE FEET) OF LAND, MORE OR LESS.

TRACT 2:

BEING A TRACT OF LAND LOCATED IN THE ANTHONY THOMASSON SURVEY, ABSTRACT No. 1265, BEING A PORTION OF A TRACT OF LAND DESCRIBED IN A DEED TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NUMBER 2005-160823, OFFICIAL RECORDS, DENTON COUNTY, TEXAS (O.R.D.C.T.), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF SAID SMILEY ROAD TRACT AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO AMIR LOLOI AND SUSAN LOLOI, RECORDED IN DOCUMENT NUMBER 2006-152722, O.R.D.C.T., FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE) BEARS NORTH 00°19'16" WEST, 1993.07 FEET, SAID IRON ROD BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT AND THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO RICK D. NELSON AND TRAYCE TRAVIS NELSON, RECORDED IN VOLUME 1692, PAGE 341, DEED RECORDS, DENTON COUNTY, TEXAS (D.R.D.C.T.);

THENCE SOUTH 00°19'16" EAST, ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT AND THE WEST LINE OF SAID LOLOI TRACT, 227.10 FEET TO A POINT, FROM WHICH A 3/8" IRON ROD FOUND IN CAREY ROAD (A 60 FOOT WIDE PRESCRIPTIVE RIGHT-OF-WAY) BEARS SOUTH 00°19'16" EAST, 22.87 FEET, SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT AND THE SOUTHWEST CORNER OF SAID LOLOI TRACT;

THENCE SOUTH 89°25'19" WEST, DEPARTING THE EAST LINE OF SAID SMILEY ROAD TRACT AND THE WEST LINE OF SAID LOLOI TRACT, 958.12 FEET TO A POINT;

THENCE NORTH 00°47'29" WEST, 227.10 FEET TO A POINT;

THENCE NORTH 89°25'19" EAST, 959.99 FEET TO THE PLACE OF BEGINNING AND CONTAINING 5.000 ACRES (217,800 SQUARE FEET) OF LAND, MORE OR LESS.

## EXHIBIT K-2

### Legal Description for Improvement Area G1A

#### IMPROVEMENT AREA G1A

##### TRACT 1:

BEING A TRACT OF LAND LOCATED IN THE THOMAS B. COX SURVEY, ABSTRACT NO. 309, THE JOHN MORTON SURVEY, ABSTRACT NO. 791, THE C. COPENHAVER SURVEY, ABSTRACT NO. 253 AND THE JOHN B. RUE SURVEY, ABSTRACT NO. 1112, DENTON COUNTY, TEXAS, BEING ALL OF A TRACT OF LAND DESCRIBED AS TRACT 1 IN A DEED TO SOUTH GM, LP, RECORDED IN DOCUMENT NO. 2024-37286, OFFICIAL RECORDS, DENTON COUNTY, TEXAS, (O.R.D.C.T.), A PORTION OF A TRACT OF LAND DESCRIBED AS TRACT 2 IN A DEED TO OPP-GREEN MEADOWS, LP RECORDED IN DOCUMENT NO. 2023-76068, O.R.D.C.T., AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE SOUTHEAST CORNER OF SAID SOUTH GM TRACT 1, FROM WHICH A 1/2" IRON ROD FOUND BEARS S 16°57'34" E, 205.93 FEET, SAID IRON ROD BEING IN SAID SMILEY ROAD AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO TEEL LAKES, LLC RECORDED IN DOCUMENT No. 2009-126512, O.R.D.C.T.;

THENCE S 89°53'12" W, AT A DISTANCE OF 1017.50 FEET, PASSING THE SOUTHWEST CORNER OF SAID SOUTH GM TRACT 1, CONTINUING IN ALL A TOTAL DISTANCE OF 1091.41 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" IN THE WEST LINE OF A 20 FOOT WIDE SANITARY SEWER EASEMENT RECORDED IN DOCUMENT No. 2017-42611, O.R.D.C.T.;

THENCE ALONG THE WEST LINE OF SAID 20 FOOT WIDE SANITARY SEWER EASEMENT AS FOLLOWS:

- 1) N 00°26'39" W, A DISTANCE OF 344.11 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 2) N 04°10'17" W, A DISTANCE OF 500.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 3) N 00°26'39" W, A DISTANCE OF 1001.84 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 4) N 16°48'27" E, A DISTANCE OF 524.19 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";



5) N 57°37'53" E, AT A DISTANCE OF 1134.65 FEET, DEPARTING THE WEST LINE OF SAID 20 FOOT WIDE SANITARY SEWER EASEMENT, CONTINUING IN ALL A TOTAL DISTANCE OF 1148.74 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT, FROM WHICH A 3/8" RON ROD FOUND WITH BEARS N 09°28'09" E, 417.35 FEET, SAID IRON ROD BEING THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO W. KEITH THORNTON & JAMES H. MERRITT, III, LLC RECORDED IN DOCUMENT No. 95-R0053177, O.R.D.C.T., AND DOCUMENT No. 95-R0068384, O.R.D.C.T.;

THENCE SOUTHEASTERLY, AN ARC LENGTH OF 169.09 FEET ALONG SAID NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 1440.00 FEET, A DELTA ANGLE OF 06°43'40", AND A CHORD BEARING OF S 03°29'21" E, 168.99 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 00°07'31" E, AT A DISTANCE OF 418.10 FEET, PASSING THE MOST NORTHERLY NORTHEAST CORNER OF SAID SOUTH GM TRACT 1, CONTINUING ALONG THE EAST LINE OF SAID SOUTH GM TRACT 1, IN ALL A TOTAL DISTANCE OF 2790.55 FEET TO THE PLACE OF BEGINNING AND CONTAINING 66.513 ACRES (2,897,293 SQUARE FEET) OF LAND, MORE OR LESS.



## EXHIBIT K-3

### Legal Description for Improvement Area G1B

**BEING** a tract of land situated in the Thomas B. Cox Survey, Abstract No. 309, City of Celina, Denton County, Texas, and being a portion of a called 191.208 acre tract of land described as Tract 2 in a Correction General Warranty Deed to South GM, LP, as recorded in Document No. 2024-118847 of the Official Records of Denton County, Texas, and being more particularly described as follows:

**BEGINNING** at a 1/2 inch iron rod with illegible plastic cap found for the southwest corner of said 191.208 acre tract, common to the southeast corner of Sutton Fields, Phase 7, according to the plat thereof recorded in Document No. 2023-188 of the Plat Records of Denton County, Texas, being on the northerly line of a called 109.926 acre tract of land described in a deed to MM Sutton Fields East, LLC, as recorded in Document No. 2021-192973 of the Official Records of Denton County, Texas;

**THENCE** North 00°23'13" West, departing the northerly line of said 109.926 acre tract, along the westerly line of said 191.208 acre tract and the easterly line of said Sutton Fields, Phase 7, a distance of 630.17 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

**THENCE** North 89°13'39" East, departing the westerly line of said 191.208 acre tract and the easterly line of said Sutton Fields, Phase 7, and crossing said 191.208 acre tract, a distance of 959.05 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

**THENCE** North 00°23'13" West, continuing across said 191.208 acre tract, a distance of 540.10 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

**THENCE** North 45°23'13" West, continuing across said 191.208 acre tract, a distance of 35.36 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

**THENCE** South 89°36'47" West, continuing across said 191.208 acre tract, a distance of 31.93 feet to a point for corner;

**THENCE** North 00°23'13" West, continuing across said 191.208 acre tract, a distance of 90.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

**THENCE** North 89°36'47" East, continuing across said 191.208 acre tract, a distance of 871.77 feet to a point for corner;

**THENCE** North 44°36'47" East, continuing across said 191.208 acre tract, a distance of 35.36 feet to a point for corner;

**THENCE** North 89°36'47" East, continuing across said 191.208 acre tract, a total distance of 85.00 feet to a point for corner;

**THENCE** South 45°23'13" East, continuing across said 191.208 acre tract, a distance of 35.36 feet to a point for corner;

**THENCE** North 89°36'47" East, continuing across said 191.208 acre tract, passing en route an ell corner of said 191.208 acre tract, and continuing along the same course and along the northerly line of said 191.208 acre tract, for a total distance of 231.65 feet to a point at the beginning of a tangent curve to the right with a radius of 1,545.00 feet, a central angle of 03°42'32", and a chord bearing and distance of South 88°31'57" East, 99.99 feet;

**THENCE** in an easterly direction continuing along the northerly line of said 191.208 acre tract, with said tangent curve to the right, an arc distance of 100.01 feet to a northeast corner of said 191.208 acre tract;

**THENCE** South 00°23'13" East, along the easterly line of said 191.208 acre tract, a distance of 1,273.49 feet to the southeast corner of said 191.208 acre tract on the northerly line of a called 101.60 acre tract of land described in a deed to MM Celina Parvin 101, LLC, as recorded in Document No. 2023-32350 of the Official Records of Denton County, Texas;

**THENCE** South 89°13'46" West, along the southerly line of said 191.208 acre tract, the northerly line of said 101.60 acre tract, and the northerly line of said 109.926 acre tract, a distance of 2,240.50 feet to the **POINT OF BEGINNING** and containing 51.744 acres (2,253,973 square feet) of land, more or less.

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983(2011).

# EXHIBIT K-4

## Legal Description for Improvement Area K1

**24.616 ACRE TRACT OF LAND  
SITUATED IN THE ROBERT COWAN SURVEY, ABSTRACT NO. 211  
DENTON COUNTY, TEXAS**

BEING a 24.616 acre tract of land situated in the Robert Cowan Survey, Abstract No. 211, Denton County, Texas; being part of a tract of land described in a Special Warranty Deed to Wilbow Finance-Green Meadows LLC as recorded in Instrument No. 95223 of the Official Public Records of Denton County, Texas; and being part of a tract of land described in a Special Warranty Deed to PH Land Holdings, LLC as recorded in Instrument No. 93597 of the Official Public Records of Denton County, Texas; said 24.616 acre tract of land being more particularly described by metes and bounds as follows:

COMMENCING at a 1/2-inch iron rod found at the southeast terminus corner of McNabb Road (variable width right-of-way), the southwest corner of Lot 16X, Green Meadows, Phase 2A, an addition to the Smiley Road Water Control and Improvement District No. 1, according to the plat recorded thereof in Document Number 2024-219 of the Official Public Records of Denton County, Texas and being an angle point in the northeast line of said PH Land Holdings tract;

THENCE South 25 degrees 41 minutes 03 seconds East, along the southwest line of said Lot 16X and the northeast line of said PH Land Holdings tract, a distance of 21.21 feet to an angle point;

THENCE South 70 degrees 41 minutes 02 seconds East, continuing along the southwest line of said Lot 16X and the northeast line of said PH Land Holdings tract, a distance of 8.50 feet to the POINT OF BEGINNING;

THENCE South 70 degrees 41 minutes 02 seconds East, continuing along the southwest line of said Lot 16X and the northeast line of said PH Land Holdings tract, passing at a distance of 8.35 feet, the southeast corner of said Lot 16X and a point in a southwest line of a tract of land described in a Special Warranty Deed to Castlerock Communities, LLC as recorded in Instrument Number 60977 of the Official Public Records of Denton County, Texas; continuing along the northeast line of said PH Land Holdings tract and the southwest line of said Castlerock Communities tract, passing at a distance of 14.42 feet, an angle point in the northeast line of said Wilbow tract; continuing along the southwest line of said Castlerock Communities tract and the northeast line of said Wilbow tract, in all a total distance of 471.00 feet to a point for corner; from which a 1/2-inch capped iron rod stamped "Wier & Associates" found for a re-entrant corner of said Wilbow tract and the southeast corner of said Castlerock Communities tract, bears South 70 degrees 41 minutes 02 seconds East, a distance of 413.43 feet;

THENCE departing the southwest line of said Castlerock Communities tract and the northeast line of said Wilbow tract, over and across said Wilbow tract, the following ten (10) courses:

South 19 degrees 18 minutes 58 seconds West, a distance of 60.00 feet to a point for corner;

North 70 degrees 41 minutes 02 seconds West, a distance of 4.50 feet to a point for corner;

South 64 degrees 18 minutes 57 seconds West, a distance of 14.14 feet to a point for corner;

South 19 degrees 18 minutes 56 seconds West, a distance of 110.00 feet to a point for corner;

South 70 degrees 41 minutes 02 seconds East, a distance of 315.00 feet to a point for corner;

South 19 degrees 18 minutes 56 seconds West, a distance of 120.00 feet to a point for corner;

South 70 degrees 41 minutes 02 seconds East, a distance of 95.00 feet to a point for corner;

South 19 degrees 18 minutes 56 seconds West, a distance of 84.60 feet to the beginning of a tangent curve to the left;

Along said tangent curve to the left having a central angle of 19 degrees 52 minutes 46 seconds, a radius of 1,185.00 feet, a chord bearing and distance of South 09 degrees 22 minutes 33 seconds West, 409.09 feet and an arc length of 411.15 feet, for the end of said curve;

South 00 degrees 33 minutes 50 seconds East, a distance of 354.19 feet to a point for corner in the south line of said Wilbow tract and in the approximate centerline of Carey Road (no dedication found);

THENCE South 89 degrees 18 minutes 27 seconds West, along the south line of said Wilbow tract and the approximate centerline of Carey Road, a distance of 772.21 feet to a railroad spike found for an angle point in the south line of said Wilbow tract;

THENCE South 89 degrees 24 minutes 53 seconds West, continuing along the south line of said Wilbow tract and the approximate centerline of Carey Road, a distance of 57.81 feet to the southwest corner of said Wilbow tract;

THENCE departing the south line said Wilbow tract and the approximate centerline of Carey Road, over and across said Wilbow tract, the following eight (8) courses:

North 00 degrees 30 minutes 56 seconds West, a distance of 29.92 feet to an angle point;

North 45 degrees 33 minutes 10 seconds West, a distance of 84.88 feet to an angle point;

North 00 degrees 33 minutes 50 seconds West, a distance of 265.99 feet to the beginning of a tangent curve to the right;

Along said tangent curve to the right having a central angle of 19 degrees 52 minutes 46 seconds, a radius of 2,075.00 feet, a chord bearing and distance of North 09 degrees 22 minutes 33 seconds East, 716.34 feet and an arc length of 719.94 feet, for the end of said curve;

North 19 degrees 18 minutes 56 seconds East, a distance of 305.31 feet to an angle point;

North 64 degrees 18 minutes 56 seconds East, a distance of 27.30 feet to an angle point;

South 70 degrees 41 minutes 02 seconds East, a distance of 4.20 feet to a point for corner;

North 19 degrees 18 minutes 53 seconds East, passing at a distance of 58.06 feet, the north line of said Wilbow tract; over and across said PH Land Holdings tract, in all a total distance of 60.00 feet to the POINT OF BEGINNING and containing 24.616 acres or 1,072,263 square feet of land.



# EXHIBIT K-5

## Legal Description for Improvement Area P1

IMPROVEMENT AREA P1

TRACT 5 (EXCLUDING MODEL HOME PLAT)

BEING A TRACT OF LAND LOCATED IN THE ROBERT COWAN SURVEY, ABSTRACT No. 211, DENTON COUNTY, TEXAS, BEING A PORTION OF A TRACT OF LAND DESCRIBED IN A DEED TO PH LAND HOLDINGS, LLC, RECORDED IN DOCUMENT NO. 2024-93597, OFFICIAL RECORDS, DENTON COUNTY, TEXAS, (O.R.D.C.T.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" IN THE EAST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO GM-CELINA TRACT 5 AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO GEHAN HOMES, LTD. AND CASTLEROCK COMMUNITIES, LLC, RECORDED IN DOCUMENT No. 2022-60977, O.R.D.C.T., SAID IRON ROD BEING THE MOST NORTHERLY NORTHWEST CORNER OF SAID PH LAND HOLDINGS TRACT, FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "WIER & ASSOC INC" BEARS N 35°57'51" W, 155.12 FEET;

THENCE ALONG THE EAST LINE OF SAID PH LAND HOLDINGS TRACT AND THE WEST LINE OF SAID GEHAN AND CASTLEROCK TRACT AS FOLLOWS:

- 1) S 35°57'51" E, A DISTANCE OF 25.54 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A CURVE TO THE RIGHT;
- 2) SOUTHERLY, AN ARC LENGTH OF 847.55 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 910.00 FEET, A DELTA ANGLE OF 53°21'49", AND A CHORD BEARING OF S 09°16'56" E, 817.24 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "WIER & ASSOC INC";
- 3) S 17°23'58" W, A DISTANCE OF 70.75 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "WIER & ASSOC INC";
- 4) S 19°18'55" W, A DISTANCE OF 26.81 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE MOST WESTERLY SOUTHWEST CORNER OF SAID GEHAN AND CASTLEROCK TRACT;

THENCE ALONG THE NORTH LINE OF SAID WILBOW FINANCE TRACT AND THE SOUTH LINE OF SAID GEHAN AND CASTLEROCK TRACT AS FOLLOWS:

- 1) S 70°41'05" E, DEPARTING THE EAST LINE OF SAID GM-CELINA TRACT 5, A DISTANCE OF 80.00 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "WIER & ASSOC INC",
- 2) S 25°41'04" E, A DISTANCE OF 21.21 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "WIER & ASSOC INC";

3) S 70°41'03" E, A DISTANCE OF 22.93 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING IN THE NORTH LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO WILBOW FINANCE RECORDED IN DOCUMENT No. 2024-95223, O.R.D.C.T.;

THENCE N 78°19'30" W, DEPARTING THE SOUTH LINE OF SAID GEHAN AND CASTLEROCK TRACT, A DISTANCE OF 17.37 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE NORTHWEST CORNER OF SAID WILBOW FINANCE TRACT;

THENCE ALONG THE WEST LINE OF SAID WILBOW FINANCE TRACT AS FOLLOWS:

- 1) S 20°06'14" W, A DISTANCE OF 57.01 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 2) S 64°13'08" W, A DISTANCE OF 28.24 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 3) S 19°18'53" W, A DISTANCE OF 308.93 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A CURVE TO THE LEFT;
- 4) SOUTHWESTERLY, AN ARC LENGTH OF 716.32 FEET ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 2075.00 FEET, A DELTA ANGLE OF 19°46'46", AND A CHORD BEARING OF S 09°19'32" W, 712.77 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A CURVE TO THE LEFT;
- 5) S 00°34'48" E, A DISTANCE OF 266.67 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 6) S 00°34'41" E, A DISTANCE OF 48.26 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" IN CAREY ROAD (A PRESCRIPTIVE RIGHT-OF-WAY), THE SOUTH LINE OF SAID PH LAND HOLDINGS TRACT AND THE NORTH LINE OF A TRACT OF LAND DESCRIBED AS TRACT 9 IN SAID DEED TO GM-CELINA RECORDED IN DOCUMENT No. 2024-10447, O.R.D.C.T.;

THENCE S 89°24'49" W, ALONG THE SOUTH LINE OF SAID PH LAND HOLDINGS TRACT, THE NORTH LINE OF SAID GM-CELINA TRACT 9, AND SAID CAREY ROAD, A DISTANCE OF 1531.64 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE SOUTHWEST CORNER OF SAID PH LAND HOLDINGS TRACT;

THENCE ALONG THE WEST LINE OF SAID PH LAND HOLDINGS TRACT AS FOLLOWS:

- 1) N 00°35'11" W, DEPARTING THE SOUTH LINE OF SAID PH LAND HOLDINGS TRACT, THE NORTH LINE OF SAID GM-CELINA TRACT 9, AND SAID CAREY ROAD, A DISTANCE OF 25.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 2) N 44°25'06" E, A DISTANCE OF 34.52 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 3) N 00°34'54" W, A DISTANCE OF 250.03 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A CURVE TO THE RIGHT;

- 4) NORTHEASTERLY, AN ARC LENGTH OF 88.15 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 525.00 FEET, A DELTA ANGLE OF 09°37'14", AND A CHORD BEARING OF N 04°13'43" E, 88.05 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 5) N 09°02'20" E, A DISTANCE OF 354.76 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A CURVE TO THE RIGHT;
- 6) NORTHEASTERLY, AN ARC LENGTH OF 105.22 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 75.00 FEET, A DELTA ANGLE OF 80°23'05", AND A CHORD BEARING OF N 49°13'43" E, 96.80 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 7) N 89°25'06" E, A DISTANCE OF 198.18 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 8) N 48°27'25" E, A DISTANCE OF 15.10 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;
- 9) NORTHEASTERLY, AN ARC LENGTH OF 654.11 FEET ALONG SAID NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 3195.00 FEET, A DELTA ANGLE OF 11°43'48", AND A CHORD BEARING OF N 13°27'00" E, 652.97 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 10) N 19°18'55" E, A DISTANCE OF 347.22 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A CURVE TO THE RIGHT;
- 11) NORTHEASTERLY, AN ARC LENGTH OF 63.13 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 275.00 FEET, A DELTA ANGLE OF 13°09'12", AND A CHORD BEARING OF N 25°53'31" E, 62.99 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 12) S 57°31'53" E, A DISTANCE OF 50.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;
- 13) NORTHEASTERLY, AN ARC LENGTH OF 15.00 FEET ALONG SAID NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 225.00 FEET, A DELTA ANGLE OF 03°49'11", AND A CHORD BEARING OF N 34°22'42" E, 15.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 14) N 84°10'36" E, A DISTANCE OF 13.74 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A CURVE TO THE LEFT;
- 15) SOUTHEASTERLY, AN ARC LENGTH OF 98.08 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 275.00 FEET, A DELTA ANGLE OF 20°26'05", AND A CHORD BEARING OF S 60°28'03" E, 97.56 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 16) S 70°41'05" E, A DISTANCE OF 111.75 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 17) S 25°41'05" E, A DISTANCE OF 14.14 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 18) S 19°18'55" W, A DISTANCE OF 8.50 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

- 19) S 70°41'05" E, A DISTANCE OF 50.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 20) N 19°18'55" E, A DISTANCE OF 8.50 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 21) N 64°18'55" E, A DISTANCE OF 14.14 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 22) S 70°41'05" E, A DISTANCE OF 8.50 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 23) N 19°18'55" E, A DISTANCE OF 50.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 24) N 70°41'05" W, A DISTANCE OF 9.73 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 25) N 26°38'33" W, A DISTANCE OF 14.38 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 26) N 17°23'58" E, A DISTANCE OF 12.32 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;
- 27) NORTHWESTERLY, AN ARC LENGTH OF 196.67 FEET ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 210.00 FEET, A DELTA ANGLE OF 53°39'30", AND A CHORD BEARING OF N 09°25'46" W, 189.56 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A REVERSE CURVE TO THE RIGHT;
- 28) NORTHEASTERLY, AN ARC LENGTH OF 30.73 FEET ALONG SAID REVERSE CURVE TO THE RIGHT, HAVING A RADIUS OF 19.50 FEET, A DELTA ANGLE OF 90°17'41", AND A CHORD BEARING OF N 08°53'19" E, 27.65 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 29) N 54°02'09" E, A DISTANCE OF 210.50 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 30) S 80°57'51" E, A DISTANCE OF 14.14 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 31) S 35°57'51" E, A DISTANCE OF 10.68 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 32) N 54°02'09" E, A DISTANCE OF 50.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 33) N 35°57'51" W, A DISTANCE OF 10.68 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 34) N 09°02'09" E, A DISTANCE OF 14.14 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";



- 35) N 54°02'09" E, A DISTANCE OF 210.50 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A CURVE TO THE RIGHT;
- 36) SOUTHEASTERLY, AN ARC LENGTH OF 30.60 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 19.50 FEET, A DELTA ANGLE OF 89°54'22", AND A CHORD BEARING OF S 81°00'39" E, 27.55 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A COMPOUND CURVE TO THE RIGHT;
- 37) SOUTHEASTERLY, AN ARC LENGTH OF 10.52 FEET ALONG SAID COMPOUND CURVE TO THE RIGHT, HAVING A RADIUS OF 740.00 FEET, A DELTA ANGLE OF 00°48'52", AND A CHORD BEARING OF S 35°39'02" E, 10.52 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 38) N 54°45'24" E, A DISTANCE OF 50.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;
- 39) NORTHWESTERLY, AN ARC LENGTH OF 10.28 FEET ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 790.00 FEET, A DELTA ANGLE OF 00°44'43", AND A CHORD BEARING OF N 35°36'58" W, 10.28 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" BEING THE BEGINNING OF A COMPOUND CURVE TO THE LEFT;
- 40) NORTHWESTERLY, AN ARC LENGTH OF 27.52 FEET ALONG SAID COMPOUND CURVE TO THE LEFT, HAVING A RADIUS OF 50.00 FEET, A DELTA ANGLE OF 31°32'08", AND A CHORD BEARING OF N 14°00'46" W, 27.17 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";
- 41) N 54°02'09" E, A DISTANCE OF 109.84 FEET TO THE PLACE OF BEGINNING AND CONTAINING 58.615 ACRES (2,553,285 SQUARE FEET) OF LAND, MORE OR LESS.

MODEL HOME PLAT

BEING A TRACT OF LAND LOCATED IN THE ROBERT COWAN SURVEY, ABSTRACT No. 211, DENTON COUNTY, TEXAS, BEING A PORTION OF A TRACT OF LAND DESCRIBED AS TRACT 5 IN A DEED TO GM-CELINA, LP, RECORDED IN DOCUMENT NUMBER 2024-10447, OFFICIAL RECORDS, DENTON COUNTY, TEXAS, (O.R.D.C.T.);

BEGINNING AT A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" IN THE EAST LINE OF SAID GM-CELINA TRACT 5 AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO GEHAN HOMES, LTD. AND CASTLEROCK COMMUNITIES, LLC, RECORDED IN DOCUMENT No. 2022-60977, O.R.D.C.T., FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "WIER & ASSOC INC" BEARS N 54°08'20" W, 96.13 FEET, SAID IRON ROD BEING THE MOST NORTHERLY NORTHEAST CORNER OF SAID GM-CELINA TRACT 5 AND THE MOST SOUTHERLY SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO CELINA 6, LP, RECORDED IN DOCUMENT NUMBER 2024-6991, O.R.D.C.T.;

THENCE S 35°57'51" E, ALONG THE EAST LINE OF SAID GM-CELINA TRACT 5 AND THE WEST LINE OF SAID GEHAN HOMES TRACT, A DISTANCE OF 155.12 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 54°02'09" W, DEPARTING THE EAST LINE OF SAID GM-CELINA TRACT 5 AND THE WEST LINE OF SAID GEHAN HOMES TRACT, A DISTANCE OF 109.84 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

THENCE SOUTHEASTERLY, AN ARC LENGTH OF 27.52 FEET ALONG SAID NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 50.00 FEET, A DELTA ANGLE OF 31°32'08", AND A CHORD BEARING OF S 14°00'46" E, 27.17 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 35°36'58" E, A DISTANCE OF 10.28 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE) BEARS S 89°29'43" E A DISTANCE OF 2125.66 FEET, SAID IRON ROD BEING A POINT OF INTERSECTION IN THE NORTH LINE OF TRACT 4 OF SAID GM-CELINA TRACT AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO SREE INVESTMENTS, LLC, RECORDED IN DOCUMENT NUMBER 2016-3796, O.R.D.C.T.;

THENCE S 54°45'24" W, A DISTANCE OF 50.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE NORTHWESTERLY, AN ARC LENGTH OF 10.52 FEET ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 740.00 FEET, A DELTA ANGLE OF 00°48'52", AND A CHORD BEARING OF N 35°39'02" W, 10.52 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A COMPOUND CURVE TO THE LEFT;

THENCE NORTHWESTERLY, AN ARC LENGTH OF 30.60 FEET ALONG SAID COMPOUND CURVE TO THE LEFT, HAVING A RADIUS OF 19.50 FEET, A DELTA ANGLE OF 89°54'22", AND A CHORD BEARING OF N 81°00'39" W, 27.55 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 54°02'09" W, A DISTANCE OF 210.50 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A CURVE TO THE LEFT;

THENCE S 09°02'09" W, A DISTANCE OF 14.14 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 35°57'51" E, A DISTANCE OF 10.68 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 54°02'09" W, A DISTANCE OF 50.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 35°57'51" W, A DISTANCE OF 10.68 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 80°57'51" W, A DISTANCE OF 14.14 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 54°02'09" W, A DISTANCE OF 210.50 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A CURVE TO THE LEFT;

THENCE SOUTHWESTERLY, AN ARC LENGTH OF 30.73 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 19.50 FEET, A DELTA ANGLE OF 90°17'41", AND A CHORD BEARING OF S 08°53'19" W, 27.65 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A REVERSE CURVE TO THE RIGHT;

THENCE SOUTHEASTERLY, AN ARC LENGTH OF 196.67 FEET ALONG SAID REVERSE CURVE TO THE RIGHT, HAVING A RADIUS OF 210.00 FEET, A DELTA ANGLE OF 53°39'30", AND A CHORD BEARING OF S 09°25'46" E, 189.56 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 17°23'58" W, A DISTANCE OF 12.32 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 26°38'33" E, A DISTANCE OF 14.38 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 70°41'05" E, A DISTANCE OF 9.73 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 19°18'55" W, A DISTANCE OF 50.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 70°41'05" W, A DISTANCE OF 8.50 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 64°18'55" W, A DISTANCE OF 14.14 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 19°18'55" W, A DISTANCE OF 8.50 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 70°41'05" W, A DISTANCE OF 50.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 19°18'55" E, A DISTANCE OF 8.50 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 25°41'05" W, A DISTANCE OF 14.14 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 70°41'05" W, A DISTANCE OF 111.75 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE NORTHWESTERLY, AN ARC LENGTH OF 98.08 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 275.00 FEET, A DELTA ANGLE OF 20°26'05", AND A CHORD BEARING OF N 60°28'03" W, 97.56 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 84°10'36" W, A DISTANCE OF 13.74 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE SOUTHWESTERLY, AN ARC LENGTH OF 15.00 FEET ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 225.00 FEET, A DELTA ANGLE OF 03°49'11", AND A CHORD BEARING OF S 34°22'42" W, 15.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 57°31'53" W, A DISTANCE OF 50.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

THENCE NORTHEASTERLY, AN ARC LENGTH OF 27.80 FEET ALONG SAID NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 275.00 FEET, A DELTA ANGLE OF 05°47'32", AND A CHORD BEARING OF N 35°21'53" E, 27.79 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 01°19'49" E, A DISTANCE OF 15.77 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 35°57'51" W, A DISTANCE OF 70.39 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 54°02'09" E, A DISTANCE OF 85.00 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 35°57'51" W, A DISTANCE OF 28.19 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 09°02'08" E, A DISTANCE OF 35.36 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 54°02'09" E, A DISTANCE OF 848.51 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE S 80°55'17" E, AT A DISTANCE OF 1.85 FEET, PASSING A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING IN THE EAST LINE OF SAID GM-CELINA TRACT 5 AND THE WEST LINE OF SAID GEHAN HOMES TRACT, CONTINUING ALONG THE EAST LINE OF SAID GM-CELINA TRACT 5 AND THE WEST LINE OF SAID GEHAN HOMES TRACT IN ALL A TOTAL DISTANCE OF 44.27 FEET TO THE PLACE OF BEGINNING AND CONTAINING 5.323 ACRES (231,879 SQUARE FEET) OF LAND, MORE OR LESS.

# APPENDIX A

## Engineer's Report

## Green Meadows Infrastructure Cost Summary

	Part 1 Project 1,2,3 & 5 Grading	Part 2 Project 1 Doe Barnch Tributary	Part 3 Project 2 N Major Improvements	Part 4 Project 3 S Major Improvements	Part 5 Project 4 NcNabb/Carey/Crutfield/Water	Part 6 Project 5 Model Home Park Improvements	Totals
<b>PUBLIC COSTS</b>							
Earthwork	\$ 4,716,473.50						\$ 4,716,473.50
Drainage		\$ 7,485,192.75	\$ 959,102.00	\$ 1,277,784.00		\$ 287,072.00	\$ 9,989,150.75
Water		\$ 10,948.50	\$ 1,416,089.00	\$ 1,104,534.50	\$ 1,756,582.50	\$ 253,919.50	\$ 4,542,084.00
Sanitary Sewer			\$ 1,179,930.00			\$ 304,125.00	\$ 1,484,055.00
Paving			\$ 4,243,964.53	\$ 2,063,212.01		\$ 674,557.60	\$ 6,981,734.14
Pavement Markings & Signs			\$ 395,055.00	\$ 52,168.00		\$ 22,200.00	\$ 469,421.00
Erosion Control	\$ 152,495.40	\$ 51,854.10	\$ 55,676.70	\$ 56,211.60	\$ 68,435.34	\$ 39,324.00	\$ 423,997.14
<b>Public Infrastructure Bid Totals</b>	<b>\$ 4,868,968.90</b>	<b>\$ 7,527,995.35</b>	<b>\$ 8,249,817.23</b>	<b>\$ 4,553,908.11</b>	<b>\$ 1,825,027.84</b>	<b>\$ 1,581,196.10</b>	<b>\$ 28,606,915.53</b>
<b>NON PID REIMBURSEMENT &amp; (MH Lots)</b>							
Earthwork	\$ 790,750.00						\$ 790,750.00
Drainage		\$ 3,078,067.25					\$ 3,078,067.25
Water						\$ 29,100.00	\$ 29,100.00
Sanitary Sewer						\$ 51,000.00	\$ 51,000.00
Paving							\$ -
Pavement Markings & Signs							\$ -
Erosion Control	\$ 119,762.00						\$ 119,762.00
<b>Non-PID Reimbursement Totals</b>	<b>\$ 910,512.00</b>	<b>\$ 3,078,067.25</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,100.00</b>	<b>\$ 4,068,679.25</b>
<b>Landscape and Irrigation Package</b>							<b>\$ 7,500,000.00</b>
<b>Construction Contingency</b>	<b>\$ 486,896.89</b>	<b>\$ 752,799.54</b>	<b>\$ 824,981.72</b>	<b>\$ 455,390.81</b>	<b>\$ 182,502.78</b>	<b>\$ 158,119.81</b>	<b>\$ 2,860,891.55</b>
<b>Soft Costs (Testing/Meters/Permit Fees, etc.)</b>							
BGE Inspection/Mgt Fees							\$ 1,607,023.79
Celina Permit/Inspection Fees							\$ 151,784.00
Mustang Utility							\$ 175,826.00
Alpha/UES							\$ 277,953.00
CoServ Electric							\$ 56,829.40
<b>Construction Management Fee</b>							<b>\$ 1,607,023.79</b>
<b>ROW</b>							<b>\$ 11,150,000.00</b>
<b>District Formation</b>							<b>\$ 5,200,000.00</b>
<b>Green Meadows Total</b>							<b>\$ 63,262,526.32</b>

**GREEN MEADOWS - IMPORTANT NOTES APPLY**  
**CELINA ETJ, TEXAS**  
**OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.**  
**DECEMBER 17, 2024**

PROJECT NAME:	<i>Green Meadows</i>	385
CITY:	<i>Celina ETJ, Texas</i>	263.0
JOB NUMBER:	<i>DBF2023041</i>	

DIRECT PUBLIC IMPROVEMENTS	EXPENDITURE CATEGORIES	PHASE 1A	PHASE 1B	TOTAL
	A. EXCAVATION	\$ 339,917	\$ 305,344	\$ 645,261
B. SANITARY SEWER SYSTEM	\$ 1,443,227	\$ 1,796,449	\$ 3,239,677	
C. STORM SEWER SYSTEM	\$ 1,207,044	\$ 2,348,451	\$ 3,555,495	
D. WATER DISTRIBUTION SYSTEM	\$ 699,962	\$ 1,173,964	\$ 1,873,926	
E. STREET PAVING	\$ 3,382,751	\$ 1,921,778	\$ 5,304,529	
F. RETAINING WALLS	\$ -	\$ -	\$ -	
G. MISCELLANEOUS ITEMS	\$ 1,156,600	\$ 605,400	\$ 1,762,000	
H. DISTRICT FORMATION	\$ 835,000	\$ 690,000	\$ 1,525,000	
I. SALE OF R.O.W.	\$ 2,279,000	\$ 384,764	\$ 2,663,764	
<b>SUB-TOTAL:</b>	<b>\$ 11,849,491</b>	<b>\$ 9,228,140</b>	<b>\$ 20,869,831</b>	

COMMON COSTS/ ZONE COSTS	EXPENDITURE CATEGORIES	PHASE 1A & 1B	TOTAL
	A. EXCAVATION	\$ 197,991	\$ 95,200
B. SANITARY SEWER SYSTEM	\$ -	\$ -	\$ -
C. STORM SEWER SYSTEM	\$ 118,639	\$ 262,311	\$ 380,949
D. WATER DISTRIBUTION SYSTEM	\$ 81,014	\$ 103,224	\$ 184,238
E. STREET PAVING	\$ 891,287	\$ 1,248,203	\$ 2,139,490
F. RETAINING WALLS	\$ -	\$ -	\$ -
G. MISCELLANEOUS ITEMS	\$ 885,000	\$ 299,375	\$ 1,174,375
<b>SUB-TOTAL:</b>	<b>\$ 2,178,929</b>	<b>\$ 1,866,313</b>	<b>\$ 4,172,242</b>

PRIVATE IMPROVEMENTS (NON REIMBURSABLE)	EXPENDITURE CATEGORIES	PHASE 1A	PHASE 1B	TOTAL
	A. EXCAVATION	\$ 1,805,811	\$ 1,574,136	\$ 3,379,947
B. SANITARY SEWER SYSTEM	\$ 320,328	\$ 497,737	\$ 818,064	
C. STORM SEWER SYSTEM	\$ -	\$ -	\$ -	
D. WATER DISTRIBUTION SYSTEM	\$ -	\$ -	\$ -	
E. STREET PAVING	\$ -	\$ -	\$ -	
F. RETAINING WALLS	\$ 700,226	\$ 697,915	\$ 1,398,141	
G. MISCELLANEOUS ITEMS	\$ 1,938,800	\$ 6,803,700	\$ 8,742,500	
<b>SUB-TOTAL:</b>	<b>\$ 4,765,166</b>	<b>\$ 9,473,488</b>	<b>\$ 14,238,653</b>	

GRAND TOTAL	EXPENDITURE CATEGORIES	PHASE 1A	PHASE 1B	TOTAL
	A. EXCAVATION	\$ 2,343,719	\$ 1,974,680	\$ 4,318,399
B. SANITARY SEWER SYSTEM	\$ 1,763,555	\$ 2,294,186	\$ 4,057,741	
C. STORM SEWER SYSTEM	\$ 1,325,681	\$ 2,610,762	\$ 3,936,443	
D. WATER DISTRIBUTION SYSTEM	\$ 780,966	\$ 1,277,178	\$ 2,058,143	
E. STREET PAVING	\$ 4,274,038	\$ 3,169,981	\$ 7,444,019	
F. RETAINING WALLS	\$ 700,226	\$ 697,915	\$ 1,398,141	
G. MISCELLANEOUS ITEMS	\$ 3,978,400	\$ 7,698,475	\$ 11,676,875	
H. DISTRICT FORMATION	\$ 835,000	\$ 690,000	\$ 1,525,000	
I. SALE OF R.O.W.	\$ 2,279,000	\$ 384,764	\$ 2,663,764	
<b>SUB-TOTAL:</b>	<b>\$ 18,280,886</b>	<b>\$ 20,897,941</b>	<b>\$ 38,978,827</b>	
CONSTRUCTION MANAGEMENT (SECT. A-F):	1% \$ 111,882	\$ 119,247	\$ 231,129	
ENGINEERING & SURVEYING (SECT. A-F):	10% \$ 1,118,819	\$ 1,192,470	\$ 2,311,289	
MISCELLANEOUS & CONTINGENCIES (SECT. A-G):	10% \$ 1,828,058	\$ 2,069,794	\$ 3,897,853	
<b>TOTALS:</b>	<b>\$ 21,339,344</b>	<b>\$ 24,079,452</b>	<b>\$ 45,418,796</b>	

	PHASE 1A	PHASE 1B	TOTAL
<b>GRAND TOTAL CONSTRUCTION COSTS</b>	<b>\$ 21,339,344</b>	<b>\$ 24,079,452</b>	<b>\$ 45,418,796</b>
<b>TOTAL LOTS</b>	<b>208</b>	<b>179</b>	<b>386</b>
<b>COST PER LOT</b>	<b>\$ 102,593</b>	<b>\$ 134,522</b>	<b>\$ 206,168</b>



**GREEN MEADOWS - IMPORTANT NOTES APPLY**  
**CELINA ETJ, TEXAS**  
**OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.**  
**DECEMBER 17, 2024**

<b>COMT DBSC:</b>	<b>Green Meadows</b>	LOT CT PH 1A	206	<b>Phase 1A - 10,595 LF Street</b>			
<b>LOCATION:</b>	<b>Celina STA, TX</b>	GROSS ACRES	71.8				
<b>JOB NUMBER:</b>	<b>DBP202041</b>						
				<b>DIRECT IMPROVEMENTS</b>	<b>COMMON IMPROVEMENTS</b>	<b>PRIVATE IMPROVEMENTS</b>	<b>OVERALL DEV. COSTS</b>

<b>A. EXCAVATION</b>									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
CLEARING AND GRUBBING	ACRE	\$2,000.00	14.4	\$28,720	8.3	\$12,600	57.4	\$114,890	\$156,210
LOT EXCAVATION (2.0 VF)	CY	\$3.00	-	\$0	-	\$0	185,380	\$556,140	\$556,140
STREET EXCAVATION (2.0 VF)	CY	\$3.00	46,348	\$139,020	20,328	\$60,984	-	\$0	\$200,004
MOISTURE CONDITIONING (6" DEEP - 100% OF LOTS)	CY	\$3.00	-	\$0	-	\$0	340,400	\$721,200	\$721,200
MOISTURE CONDITIONING (4" DEEP - ROAD IMPROVEMENTS)	CY	\$3.00	51,800	\$155,400	45,896	\$137,688	-	\$0	\$277,388
10 MIL POLY PADS	SF	\$0.15	-	\$0	-	\$0	1,112,450	\$166,868	\$166,868
ROUGH LOT GRADING	LOT	\$300.00	-	\$0	-	\$0	206	\$61,800	\$61,800
FINAL LOT GRADING	LOT	\$250.00	-	\$0	-	\$0	206	\$51,500	\$51,500
MISC EROSION CONTROL	LOT	\$400.00	-	\$0	-	\$0	206	\$82,400	\$82,400
CONSTRUCTION ENTRANCE	EA	\$2,500.00	2	\$5,000	-	\$0	-	\$0	\$5,000
TESTING	CY	\$0.12	98,140	\$11,777	20,328	\$2,439	425,760	\$51,091	\$85,307
<b>SUB - EXCAVATION COST</b>				<b>\$388,917</b>		<b>\$187,861</b>		<b>\$1,888,611</b>	<b>\$2,465,389</b>
				<b>PER LOT</b>	<b>\$1,638</b>	<b>\$861</b>		<b>\$8,766</b>	<b>\$11,377</b>

<b>B. SANITARY SEWER SYSTEM</b>									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
8" SDR-26 PVC PIPE (0'-12" DEEP)	LF	\$70.00	8,360	\$585,200	-	\$0	-	\$0	\$585,200
8" SDR-26 PARALLEL PVC PIPE (0'-12" DEEP)	LF	\$70.00	150	\$10,500	-	\$0	-	\$0	\$10,500
8" SDR-26 PVC PIPE (12'-20" DEEP)	LF	\$85.00	1,525	\$129,625	-	\$0	-	\$0	\$129,625
4' DIAMETER MANHOLE	EA	\$7,500.00	24	\$180,000	-	\$0	-	\$0	\$180,000
4' DIAMETER DROP MANHOLE	EA	\$9,500.00	1	\$9,500	-	\$0	-	\$0	\$9,500
5' DIAMETER DROP MANHOLE	EA	\$10,500.00	1	\$10,500	-	\$0	-	\$0	\$10,500
CEMENT STABILIZED SAND	LF	\$80.00	350	\$28,000	-	\$0	-	\$0	\$28,000
ADDITIONAL MANHOLE DEPTH (+ 8' DEEP)	VF	\$500.00	171	\$85,500	-	\$0	-	\$0	\$85,500
CONNECT TO EXISTING LINE WITH 5' MANHOLE OVER LINE	EA	\$11,500.00	2	\$23,000	-	\$0	-	\$0	\$23,000
4" SERVICE LINES	EA	\$1,350.00	206	\$278,100	-	\$0	-	\$0	\$278,100
VACUUM TESTING	LF	\$2.00	10,035	\$20,070	-	\$0	-	\$0	\$20,070
END & PLUG FOR FUTURE DEVELOPMENT	EA	\$750.00	3	\$2,250	-	\$0	-	\$0	\$2,250
TRENCH SAFETY	LF	\$1.00	10,035	\$10,035	-	\$0	-	\$0	\$10,035
TESTING (EXCLUDING GEOTECH)	LF	\$3.00	10,035	\$30,105	-	\$0	-	\$0	\$30,105
TESTING (GEOTECH)	LF	\$1.25	10,035	\$12,544	-	\$0	-	\$0	\$12,544
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	1,414,929	\$28,299	-	\$0	-	\$0	\$28,299
<b>SUB - SANITARY SEWER SYSTEM</b>				<b>\$1,448,227</b>		<b>\$0</b>		<b>\$0</b>	<b>\$1,448,227</b>
				<b>PER LOT</b>	<b>\$7,926</b>	<b>\$0</b>		<b>\$0</b>	<b>\$7,926</b>



C. STORM SEWER SYSTEM									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
21" R.C.P.	LF	\$95.00	593	\$56,335	152	\$14,440.00	-	\$0.00	\$70,775
24" R.C.P.	LF	\$110.00	2,203	\$222,330	537	\$59,070	-	\$0	\$279,400
30" R.C.P.	LF	\$125.00	464	\$58,000	-	\$0	-	\$0	\$58,000
33" R.C.P.	LF	\$135.00	-	\$0	79	\$10,665	-	\$0	\$10,665
36" R.C.P.	LF	\$170.00	1,511	\$256,870	-	\$0	-	\$0	\$256,870
42" R.C.P.	LF	\$203.00	419	\$83,230	-	\$0	-	\$0	\$83,230
48" R.C.P.	LF	\$240.00	173	\$41,520	-	\$0	-	\$0	\$41,520
4'x4' R.C.B.	LF	\$400.00	205	\$82,000	-	\$0	-	\$0	\$82,000
10" INLET	EA	\$4,500.00	36	\$162,000	4	\$18,000	-	\$0	\$180,000
INLET PROTECTION	EA	\$350.00	36	\$12,600	4	\$1,400	-	\$0	\$14,000
4' JUNCTION BOX	EA	\$5,000.00	6	\$30,000	1	\$5,000	-	\$0	\$35,000
5' JUNCTION BOX	EA	\$6,000.00	3	\$18,000	-	\$0	-	\$0	\$18,000
6' JUNCTION BOX	EA	\$7,000.00	1	\$7,000	-	\$0	-	\$0	\$7,000
FLEXAMAT	SY	\$150.00	100	\$15,000	-	\$0	-	\$0	\$15,000
48" HEADWALL	EA	\$7,500.00	1	\$7,500	-	\$0	-	\$0	\$7,500
4'x4' SN-0 HEADWALL	EA	\$7,000.00	1	\$7,000	-	\$0	-	\$0	\$7,000
DEBRIS SEPARATOR	EA	\$30,000.00	2	\$60,000	-	\$0	-	\$0	\$60,000
TRENCH SAFETY	LF	\$2.00	5,354	\$10,708	768	\$1,536	-	\$0	\$12,244
TESTING (GEOTECH)	LF	\$1.00	5,354	\$5,354	768	\$768	-	\$0	\$6,122
TV TESTING	LF	\$1.50	5,354	\$8,031	768	\$1,152	-	\$0	\$9,183
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	1,126,093	\$22,522	110,111	\$2,202	-	\$0	\$24,724
INSPECTION FEE	PERCENT	4.0%	1,126,093	\$45,044	110,111	\$4,404	-	\$0	\$49,448
<b>SUB - STORM SEWER SYSTEM</b>				<b>\$1,207,044</b>		<b>\$116,608</b>		<b>\$0</b>	<b>\$1,323,652</b>
				<b>PER LOT</b>		<b>\$579</b>		<b>\$0</b>	<b>\$6,435</b>

D. WATER DISTRIBUTION SYSTEM									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
8" AWWA C300 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$55.00	6,110	\$336,050	100	\$5,500	-	\$0	\$341,550
12" AWWA C300 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$90.00	-	\$0	100	\$9,000	-	\$0	\$9,000
8" GATE VALVE & BOX	EA	\$2,500.00	28	\$70,000	-	\$0	-	\$0	\$70,000
12" GATE VALVE & BOX	EA	\$4,500.00	-	\$0	6	\$27,000	-	\$0	\$27,000
FIRE HYDRANT ASSEMBLY (INCLUDING TEES, FITTINGS & VALVES)	EA	\$7,800.00	12	\$93,600	4	\$31,800	-	\$0	\$126,400
12"x8" REDUCER	EA	\$2,000.00	4	\$8,000	-	\$0	-	\$0	\$8,000
AUTOMATIC FLUSH VALVE	EA	\$5,000.00	1	\$5,000	-	\$0	-	\$0	\$5,000
1" SINGLE WATER SERVICE	EA	\$1,185.00	114	\$134,520	-	\$0	-	\$0	\$134,520
1.5" IRRIGATION SERVICE & METER	EA	\$1,500.00	1	\$1,500	-	\$0	-	\$0	\$1,500
4" IRRIGATION SLEEVES	LF	\$50.00	200	\$10,000	-	\$0	-	\$0	\$10,000
END & PLUG 8" FOR FUTURE DEVELOPMENT	EA	\$750.00	4	\$3,000	-	\$0	-	\$0	\$3,000
END & PLUG 12" FOR FUTURE DEVELOPMENT	EA	\$1,000.00	2	\$2,000	-	\$0	-	\$0	\$2,000
CONNECT TO EXISTING 12" STUB	EA	\$1,500.00	1	\$1,500	4	\$6,000	-	\$0	\$7,500
TRENCH SAFETY	LF	\$6.50	6,110	\$39,815	100	\$650	-	\$0	\$40,465
TESTING (EXCLUDING GEOTECH)	LF	\$1.50	6,110	\$9,165	100	\$1,500	-	\$0	\$10,665
TESTING (GEOTECH)	LF	\$1.25	6,110	\$7,638	100	\$1,250	-	\$0	\$8,888
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	686,228	\$13,725	79,425	\$1,589	-	\$0	\$15,313
<b>SUB - WATER DISTRIBUTION SYSTEM</b>				<b>\$606,023</b>		<b>\$91,014</b>		<b>\$0</b>	<b>\$697,037</b>
				<b>PER LOT</b>		<b>\$393</b>		<b>\$0</b>	<b>\$3,721</b>

E. STREET PAVING									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
7" REINF. CONCRETE STREET PAVEMENT (20' B-S RESIDENTIAL)	SY	\$55.00	34,796	\$1,912,130	-	\$0	-	\$0	\$1,912,130
8" REINF. CONCRETE STREET PAVEMENT (20' B-S)	SY	\$87.00	-	\$0	7,405	\$644,235	-	\$0	\$644,235
8" SUBGRADE PREP	SY	\$4.00	37,164	\$148,656	7,805	\$31,221	-	\$0	\$179,876
HYDRATED LIME (48%SY)	TON	\$325.00	892	\$289,877	-	\$0	-	\$0	\$289,877
5' CONCRETE SIDEWALK	LF	\$40.00	2,360	\$95,200	-	\$0	-	\$0	\$95,200
6' CONCRETE SIDEWALK	LF	\$55.00	-	\$0	1,905	\$105,725	-	\$0	\$105,725
BARRIER FREE RAMP	EA	\$2,500.00	28	\$70,000	12	\$30,000	-	\$0	\$100,000
PAVEMENT HEADER	LF	\$25.00	50	\$1,250	314	\$7,850	-	\$0	\$9,100
TYPE III BARRICADE	EA	\$1,500.00	4	\$6,000	6	\$9,000	-	\$0	\$15,000
SAWCUT & CONNECT TO EXISTING STREET	EA	\$500.00	3	\$1,500	2	\$1,000	-	\$0	\$2,500
STREET SIGN	EA	\$1,500.00	5	\$7,500	-	\$0	-	\$0	\$7,500
STREET SIGN AND STOP SIGN COMBINATION	EA	\$2,000.00	11	\$22,000	-	\$0	-	\$0	\$22,000
TURN LANES (SMLEY ROAD)	EA	\$200,000.00	3	\$600,000	-	\$0	-	\$0	\$600,000
TESTING (GEOTECH)	SY	\$1.00	37,164	\$37,164	7,805	\$7,805	-	\$0	\$44,969
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	3,191,275	\$63,825	840,838	\$16,817	-	\$0	\$80,642
INSPECTION FEE	PERCENT	4.0%	3,191,275	\$127,651	840,838	\$33,633	-	\$0	\$161,284
<b>SUB - STREET PAVING</b>				<b>\$3,362,781</b>		<b>\$991,287</b>		<b>\$0</b>	<b>\$4,354,068</b>
				<b>PER LOT</b>		<b>\$4,307</b>		<b>\$0</b>	<b>\$29,748</b>

F1. RETAINING WALLS									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
1' RETAINING WALL	LF	\$40.00	-	\$0	-	\$0	2,283	\$90,520	\$90,520
2' RETAINING WALL	LF	\$53.00	-	\$0	-	\$0	4,718	\$250,054	\$250,054
3' RETAINING WALL	LF	\$67.00	-	\$0	-	\$0	3,714	\$114,838	\$114,838
4' RETAINING WALL	LF	\$83.00	-	\$0	-	\$0	1,518	\$126,077	\$126,077
<b>SUB - RETAINING WALLS</b>				<b>\$0</b>		<b>\$0</b>		<b>\$760,228</b>	<b>\$760,228</b>
				<b>PER LOT</b>	<b>\$0</b>	<b>\$0</b>		<b>\$3,388</b>	<b>\$3,388</b>

G. MISCELLANEOUS ITEMS									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
STREET LIGHT (RESIDENTIAL)	EA	\$5,000.00	28	\$130,000	-	\$0	-	\$0	\$130,000
STREET LIGHT (CRUTCHFIELD)	EA	\$10,000.00	-	\$0	8	\$80,000	-	\$0	\$80,000
SCREEN WALL (SMILEY ROAD)	LF	\$175.00	-	\$0	2,500	\$435,000	-	\$0	\$435,000
SCREEN WALL (CRUTCHFIELD)	LF	\$175.00	-	\$0	2,000	\$350,000	-	\$0	\$350,000
FINAL GEOTECH REPORT & TESTING	LOT	\$500.00	208	\$103,000	-	\$0	-	\$0	\$103,000
FINAL EROSION CONTROL	LOT	\$300.00	208	\$61,800	-	\$0	-	\$0	\$61,800
SWPPP MONITORING	LOT	\$200.00	208	\$41,200	-	\$0	-	\$0	\$41,200
MAIL KIOSK	LOT	\$300.00	-	\$0	-	\$0	208	\$61,800	\$61,800
LANDSCAPING	LS	\$800,000.00	-	\$0	-	\$0	1	\$800,000	\$800,000
IRRIGATION	SF	\$1.00	480,000	\$480,000	-	\$0	-	\$0	\$480,000
PRIMARY ENTRY MONUMENT	LS	\$750,000.00	-	\$0	-	\$0	1	\$750,000	\$750,000
SECONDARY ENTRY MONUMENT	LS	\$125,000.00	-	\$0	-	\$0	1	\$125,000	\$125,000
POCKET PARKS	LS	\$200,000.00	-	\$0	-	\$0	1	\$200,000	\$200,000
PRELIMINARY PLAT FEE (\$300 plus \$50 per lot)	LS		1	\$10,800	-	\$0	-	\$0	\$10,800
FINAL PLAT FEE (\$500 plus \$50 per lot)	LS		1	\$10,800	-	\$0	-	\$0	\$10,800
FLOOD STUDY	LS	\$30,000.00	1	\$30,000	-	\$0	-	\$0	\$30,000
FRANCHISE (ELECTRIC)	LOT	\$1,500.00	208	\$309,000	-	\$0	-	\$0	\$309,000
FRANCHISE (GAS)	LOT	\$1,000.00	-	\$0	-	\$0	-	\$0	\$0
<b>SUB - MISCELLANEOUS ITEMS</b>				<b>\$1,198,000</b>		<b>\$688,000</b>		<b>\$1,886,000</b>	<b>\$1,876,400</b>
				<b>PER LOT</b>	<b>\$5,814.80</b>	<b>\$4,300</b>		<b>\$9,402</b>	<b>\$10,813</b>

<b>DIRECT COSTS - GREEN MEADOWS - PHASE 1A</b>		<b>\$9,228,491</b>	
	<b>COST PER LOT</b>	<b>\$38,849</b>	
<b>COMMON COSTS - GREEN MEADOWS - PHASE 1A</b>			<b>\$2,173,828</b>
	<b>COST PER LOT</b>		<b>\$10,869</b>
<b>PRIVATE COSTS - GREEN MEADOWS - PHASE 1A</b>			<b>\$4,642,287</b>
	<b>COST PER LOT</b>		<b>\$21,897</b>
<b>TOTAL COST - GREEN MEADOWS - PHASE 1A</b>			<b>\$14,044,287</b>
	<b>COST PER LOT</b>		<b>\$72,089</b>

**GREEN MEADOWS - IMPORTANT NOTES APPLY**  
**CELINA ETJ, TEXAS**  
**OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.**  
**DECEMBER 17, 2024**

<b>COBT DEBC:</b>	<b>Green Meadows</b>	LOT CT PH 1B	179	<b>Phase 1B - 7,776 LF Street</b>	
<b>LOCATION:</b>	<b>Celina ETJ, TX</b>	GROSS ACRES	\$2.9		
<b>JOB NUMBER:</b>	<b>DBF2023041</b>				
		<b>DIRECT IMPROVEMENTS</b>	<b>COMMON IMPROVEMENTS</b>	<b>PRIVATE IMPROVEMENTS</b>	<b>OVERALL DEV. COSTS</b>

ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
CLEARING AND GRUBBING	ACRE	\$2,000.00	12.8	\$25,760	-	\$0	50.3	\$100,640	\$125,800
LOT EXCAVATION (2.0 VF)	CY	\$3.00	-	\$0	-	\$0	162,450	\$487,200	\$487,200
STREET EXCAVATION (2.0 VF)	CY	\$3.00	48,600	\$121,800	-	\$0	-	\$0	\$121,800
MOISTURE CONDITIONING (8' DEEP - 100% OF LOTS)	CY	\$3.00	-	\$0	-	\$0	208,950	\$626,700	\$626,700
MOISTURE CONDITIONING (8' DEEP - ROAD IMPROVEMENTS)	CY	\$3.00	47,800	\$142,800	31,733	\$95,200	-	\$0	\$238,000
10 MIL POLY PADS	SF	\$0.15	-	\$0	-	\$0	966,800	\$144,900	\$144,900
ROUGH LOT GRADING	LOT	\$300.00	-	\$0	-	\$0	179	\$53,700	\$53,700
FINAL LOT GRADING	LOT	\$250.00	-	\$0	-	\$0	179	\$44,750	\$44,750
MISC EROSION CONTROL	LOT	\$400.00	-	\$0	-	\$0	179	\$71,800	\$71,800
CONSTRUCTION ENTRANCE	EA	\$2,500.00	2	\$5,000	-	\$0	-	\$0	\$5,000
TESTING	CY	\$0.12	88,200	\$10,584	-	\$0	371,300	\$44,556	\$55,140
<b>SUB - EXCAVATION COST</b>				<b>\$305,944</b>		<b>\$95,200</b>		<b>\$1,674,136</b>	<b>\$1,874,880</b>
		<b>PER LOT</b>		<b>\$1,705.82</b>		<b>\$532</b>		<b>\$9,794.66</b>	<b>\$11,021.73</b>

ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
8" SDR-26 PVC PIPE (8'-12" DEEP)	LF	\$70.00	12,536	\$877,520	-	\$0	-	\$0	\$877,520
8" SDR-26 PVC PIPE (12'-20" DEEP)	LF	\$85.00	325	\$27,625	-	\$0	-	\$0	\$27,625
8" SDR-26 PVC PIPE (PARALLEL PIPE)	LF	\$45.00	150	\$6,750	-	\$0	-	\$0	\$6,750
8" PLUG	EA	\$450.00	2	\$900	-	\$0	-	\$0	\$900
4" DIAMETER MANHOLE	EA	\$7,500.00	48	\$360,000	-	\$0	-	\$0	\$360,000
CEMENT STABILIZED SAND	LF	\$80.00	600	\$48,000	-	\$0	-	\$0	\$48,000
ADDITIONAL MANHOLE DEPTH (> 8' DEEP)	VF	\$500.00	145	\$72,500	-	\$0	-	\$0	\$72,500
CONNECT TO EXISTING LINE W/ 5' MANHOLE	EA	\$1,500.00	4	\$6,000	-	\$0	-	\$0	\$6,000
4" SERVICE LINES	EA	\$1,350.00	179	\$241,650	-	\$0	-	\$0	\$241,650
VACUUM TESTING	LF	\$2.00	13,211	\$26,422	-	\$0	-	\$0	\$26,422
TRENCH SAFETY	LF	\$1.50	13,211	\$19,817	-	\$0	-	\$0	\$19,817
TESTING (EXCLUDING GEOTECH)	LF	\$3.00	13,211	\$39,633	-	\$0	-	\$0	\$39,633
TESTING (GEOTECH)	LF	\$1.25	13,211	\$16,514	-	\$0	-	\$0	\$16,514
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	1,761,225	\$35,224	-	\$0	-	\$0	\$35,224
<b>SUB - SANITARY SEWER SYSTEM</b>				<b>\$1,726,446</b>		<b>\$0</b>		<b>\$0</b>	<b>\$1,726,446</b>
		<b>PER LOT</b>		<b>\$1,035.03</b>		<b>\$0.00</b>		<b>\$0.00</b>	<b>\$1,035.03</b>

ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
21" R.C.P.	LF	\$85.00	890	\$75,250	271	\$23,095	-	\$0	\$98,345
36" R.C.P.	LF	\$170.00	2,848	\$484,160	199	\$33,830	-	\$0	\$518,000
30" R.C.P.	LF	\$135.00	-	\$0	112	\$15,120	-	\$0	\$15,120
36" R.C.P.	LF	\$170.00	1,728	\$293,760	301	\$51,170	-	\$0	\$344,930
42" R.C.P.	LF	\$205.00	545	\$111,725	402	\$82,410	-	\$0	\$194,135
4'x4' R.C.B.	LF	\$400.00	507	\$202,800	-	\$0	-	\$0	\$202,800
5'x4' R.C.B.	LF	\$500.00	1,014	\$507,000	-	\$0	-	\$0	\$507,000
6'x4' R.C.B.	LF	\$600.00	465	\$279,000	-	\$0	-	\$0	\$279,000
10" INLET	EA	\$4,500.00	53	\$238,500	7	\$31,500	-	\$0	\$270,000
INLET PROTECTION	EA	\$350.00	53	\$18,550	7	\$2,450	-	\$0	\$21,000
4" JUNCTION BOX	EA	\$5,000.00	7	\$35,000	1	\$5,000	-	\$0	\$40,000
6" JUNCTION BOX	EA	\$6,000.00	1	\$6,000	1	\$6,000	-	\$0	\$12,000
8" JUNCTION BOX	EA	\$7,000.00	3	\$21,000	-	\$0	-	\$0	\$21,000
MANHOLE RISER	EA	\$5,000.00	3	\$15,000	-	\$0	-	\$0	\$15,000
PLEXAMAT	SF	\$150.00	100	\$15,000	-	\$0	-	\$0	\$15,000
6'x4' SW-D HEADWALL	EA	\$9,500.00	1	\$9,500	-	\$0	-	\$0	\$9,500
DEBRIS SEPARATOR	EA	\$30,000.00	1	\$30,000	-	\$0	-	\$0	\$30,000
TRENCH SAFETY	LF	\$2.00	7,997	\$15,994	1,289	\$2,578	-	\$0	\$18,572
TESTING (GEOTECH)	LF	\$1.50	7,997	\$11,996	1,289	\$1,934	-	\$0	\$13,930
TV TESTING	LF	\$1.50	7,997	\$11,996	1,289	\$1,934	-	\$0	\$13,930
BONDS (PAYMENT, PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	2,198,859	\$43,977	244,423	\$4,888	-	\$0	\$48,865
INSPECTION FEE	PERCENT	4.0%	2,198,859	\$87,954	244,423	\$9,777	-	\$0	\$97,731
<b>SUB - STORM SEWER SYSTEM</b>				<b>\$2,346,481</b>		<b>\$282,911</b>		<b>\$0</b>	<b>\$2,619,782</b>
		<b>PER LOT</b>		<b>\$13,119.84</b>		<b>\$1,608.42</b>		<b>\$0.00</b>	<b>\$14,588.26</b>

**GREEN MEADOWS - IMPORTANT NOTES APPLY**  
**CELINA ETJ, TEXAS**  
**OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.**  
**DECEMBER 17, 2024**

<b>COST DESC:</b>	<b>Green Meadows</b>	LOT CT PH 1B	176	<b>Phase 1B - 7,775 LF Street</b>			
<b>LOCATION:</b>	<b>Celina ETJ, TX</b>	GROSS ACRES	62.2				
<b>JOB NUMBER:</b>	<b>DSP282041</b>						
				<b>DIRECT IMPROVEMENTS</b>	<b>COMMON IMPROVEMENTS</b>	<b>PRIVATE IMPROVEMENTS</b>	<b>OVERALL DEV. COSTS</b>

<b>D. WATER DISTRIBUTION SYSTEM</b>									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
8" AWWA C300 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$20.00	6,980	\$139,600	-	\$0	-	\$0	\$139,600
12" AWWA C300 P.V.C. WATERLINE (INCLUDING FITTINGS)	LF	\$20.00	1,697	\$33,940	-	\$0	-	\$0	\$173,540
8" GATE VALVE & BOX	EA	\$2,500.00	42	\$105,000	6	\$15,000	-	\$0	\$120,000
12" GATE VALVE & BOX	EA	\$4,500.00	7	\$31,500	0	\$0	-	\$0	\$151,500
FIRE HYDRANT ASSEMBLY (INCLUDING TEES, FITTINGS & VALVES)	EA	\$7,000.00	20	\$140,000	0	\$0	-	\$0	\$291,500
12" OR REDUCER	EA	\$2,000.00	0	\$0	2	\$4,000	-	\$0	\$295,500
1" SINGLE WATER SERVICE	EA	\$1,180.00	179	\$211,220	-	\$0	-	\$0	\$506,720
1.5" IRRIGATION SERVICE & METER	EA	\$1,200.00	2	\$2,400	-	\$0	-	\$0	\$509,120
4" IRRIGATION SERVICE	LF	\$50.00	400	\$20,000	-	\$0	-	\$0	\$529,120
END & PLUG 8" FOR FUTURE DEVELOPMENT	EA	\$700.00	0	\$0	-	\$0	-	\$0	\$529,120
END & PLUG 12" FOR FUTURE DEVELOPMENT	EA	\$1,000.00	2	\$2,000	-	\$0	-	\$0	\$531,120
CONNECT TO EXISTING 8" STUB	EA	\$1,200.00	2	\$2,400	4	\$4,800	-	\$0	\$535,920
CONNECT TO EXISTING 12" STUB	EA	\$1,200.00	2	\$2,400	2	\$2,400	-	\$0	\$538,320
TRENCH SAFETY	LF	\$0.50	6,980	\$3,490	-	\$0	-	\$0	\$541,810
TESTING (EXCLUDING GEOTECH)	LF	\$1.50	6,980	\$10,470	-	\$0	-	\$0	\$552,280
TESTING (GEOTECH)	LF	\$1.25	6,980	\$8,725	-	\$0	-	\$0	\$561,005
BONDS (PAYMENT PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	1,100,000	\$22,000	101,200	\$2,024	-	\$0	\$583,029
				<b>\$1,176,864</b>	<b>\$60,224</b>		<b>\$0</b>		<b>\$1,237,088</b>
<b>SUB - WATER DISTRIBUTION SYSTEM</b>				<b>\$1,176,864</b>	<b>\$60,224</b>		<b>\$0</b>		<b>\$1,237,088</b>
				<b>PER LOT</b>	<b>\$6,352</b>	<b>\$377</b>	<b>\$0</b>	<b>\$7,729</b>	

<b>E. STREET PAVING</b>									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
7" REINF. CONCRETE STREET PAVEMENT (2" S-B RESIDENTIAL)	SY	\$20.00	25,000	\$1,400,000	-	\$0	-	\$0	\$1,400,000
7" REINF. CONCRETE STREET PAVEMENT (2" S-B)	SY	\$75.00	-	\$0	11,320	\$849,000	-	\$0	\$1,409,000
8" SUBGRADE PREP	SY	\$4.00	27,360	\$109,440	12,214	\$49,256	-	\$0	\$158,696
HYDRATED LIME (ARMSY)	TON	\$25.00	807	\$20,175	288	\$7,200	-	\$0	\$165,896
8" CONCRETE SIDEWALK	LF	\$40.00	1,140	\$45,600	-	\$0	-	\$0	\$211,496
8" CONCRETE SIDEWALK	LF	\$55.00	-	\$0	2,435	\$133,825	-	\$0	\$345,321
BARRICADE FREE RAMP	EA	\$2,500.00	29	\$72,500	4	\$10,000	-	\$0	\$355,321
PAVEMENT HEADER	LF	\$20.00	28	\$560	-	\$0	-	\$0	\$359,321
LONGITUDINAL JOINT	LF	\$50.00	-	\$0	240	\$12,000	-	\$0	\$371,321
TYPE III BARRICADE	EA	\$1,000.00	6	\$6,000	-	\$0	-	\$0	\$377,321
REMOVE BARRICADE & CONNECT TO EXISTING STREET	EA	\$200.00	2	\$400	-	\$0	-	\$0	\$378,721
STREET SIGN	EA	\$1,000.00	7	\$7,000	-	\$0	-	\$0	\$385,721
STREET SIGN AND STOP SIGN COMBINATION	EA	\$2,000.00	14	\$28,000	-	\$0	-	\$0	\$413,721
TESTING (GEOTECH)	SY	\$1.00	27,360	\$27,360	12,214	\$12,214	-	\$0	\$430,935
BONDS (PAYMENT PERFORMANCE & MAINTENANCE)	PERCENT	2.0%	1,812,000	\$36,240	1,177,000	\$23,540	-	\$0	\$454,475
INSPECTION FEE	PERCENT	4.0%	1,812,000	\$72,480	1,177,000	\$47,080	-	\$0	\$526,955
				<b>\$1,821,778</b>	<b>\$1,248,280</b>		<b>\$0</b>		<b>\$3,070,058</b>
<b>SUB - STREET PAVING</b>				<b>\$1,821,778</b>	<b>\$1,248,280</b>		<b>\$0</b>		<b>\$3,070,058</b>
				<b>PER LOT</b>	<b>\$10,736.10</b>	<b>\$6,979.20</b>	<b>\$0.00</b>	<b>\$17,715.30</b>	

<b>F. RETAINING WALLS</b>									
ITEM DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST
1' RETAINING WALL	LF	\$40.00	-	\$0.00	-	\$0.00	2,462	\$98,480.00	\$98,480.00
2' RETAINING WALL	LF	\$53.00	-	\$0.00	-	\$0.00	1,391	\$73,723.00	\$172,203.00
3' RETAINING WALL	LF	\$67.00	-	\$0.00	-	\$0.00	2,628	\$176,276.00	\$348,479.00
4' RETAINING WALL	LF	\$83.00	-	\$0.00	-	\$0.00	749	\$62,167.00	\$410,646.00
5' RETAINING WALL	LF	\$138.00	-	\$0.00	-	\$0.00	591	\$81,918.00	\$492,564.00
7' RETAINING WALL	LF	\$167.00	-	\$0.00	-	\$0.00	711	\$118,737.00	\$611,301.00
				<b>\$0.00</b>	<b>\$0.00</b>		<b>\$687,918.00</b>		<b>\$687,918.00</b>
<b>SUB - RETAINING WALLS</b>				<b>\$0.00</b>	<b>\$0.00</b>		<b>\$687,918.00</b>		<b>\$687,918.00</b>
				<b>PER LOT</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,340.91</b>	<b>\$3,340.91</b>	



**GREEN MEADOWS - IMPORTANT NOTES APPLY**  
**CELINA ETJ, TEXAS**  
**OVERALL COST SUMMARY, NOTES, ASSUMPTIONS, QUALIFICATIONS, ETC.**  
**DECEMBER 17, 2024**

<b>COST DESC:</b>	Green Meadows	LOT CT PH 1B	179	<b>Phase 1B - 7,775 LF Street</b>			
<b>LOCATION:</b>	Celina ETJ, TX	GROSS ACRES	82.9				
<b>JOB NUMBER:</b>	DFP2023041						
				<b>DIRECT IMPROVEMENTS</b>	<b>COMMON IMPROVEMENTS</b>	<b>PRIVATE IMPROVEMENTS</b>	<b>OVERALL DEV. COSTS</b>

<b>G. MISCELLANEOUS ITEMS</b>										
ITEM/DESCRIPTION	UNIT	UNIT PRICE	QUANTITY	ITEM COST	QUANTITY	ITEM COST	QUANTITY	ITEM COST	TOTAL COST	
STREET LIGHT (RESIDENTIAL)	EA	\$5,000.00	17	\$85,000	-	\$0	-	\$0	\$85,000	
STREET LIGHT (CRUTCHFIELD ROAD)	EA	\$10,000.00	-	\$0	11	\$110,000	-	\$0	\$110,000	
SCREEN WALL (CRUTCHFIELD ROAD)	LF	\$175.00	-	\$0	1,025	\$179,375	-	\$0	\$179,375	
FINAL GEOTECH REPORT & TESTING	LOT	\$500.00	179	\$89,500	-	\$0	-	\$0	\$89,500	
FINAL EROSION CONTROL	LOT	\$300.00	179	\$53,700	-	\$0	-	\$0	\$53,700	
SWPPP MONITORING	LOT	\$200.00	179	\$35,800	-	\$0	-	\$0	\$35,800	
MAIL KIOSK	LOT	\$300.00	-	\$0	-	\$0	179	\$53,700	\$53,700	
LANDSCAPING	LS	\$250,000.00	-	\$0	-	\$0	1	\$250,000	\$250,000	
SOO & IRRIGATE (OPEN SPACES)	SF	\$1.50	36,000	\$54,000	-	\$0	-	\$0	\$54,000	
AMENITY CENTER	LS	\$6,500,000.00	-	\$0	-	\$0	1	\$6,500,000	\$6,500,000	
PRELIMINARY PLAT FEE (\$500 plus \$50 per lot)	LS	-	1	\$9,450	-	\$0	-	\$0	\$9,450	
FINAL PLAT FEE (\$500 plus \$50 per lot)	LS	-	1	\$9,450	-	\$0	-	\$0	\$9,450	
FRANCHISE (ELECTRIC)	LOT	\$1,500.00	179	\$268,500	-	\$0	-	\$0	\$268,500	
FRANCHISE (GAS)	LOT	\$1,000.00	-	\$0	-	\$0	-	\$0	\$0	
<b>SUB - MISCELLANEOUS ITEMS</b>				<b>\$606,400</b>	<b>\$280,376</b>	<b>\$6,898,700</b>	<b>\$7,886,476</b>			
				<b>PER LOT</b>	<b>\$3,387.71</b>	<b>\$1,574.67</b>	<b>\$38,536.31</b>	<b>\$45,300.75</b>		

<b>DIRECT COSTS - GREEN MEADOWS - PHASE 1B</b>	<b>\$6,191,976</b>	
<b>COMMON COSTS - GREEN MEADOWS - PHASE 1B</b>	<b>\$46,838</b>	
	<b>\$1,898,918</b>	
	<b>\$11,184</b>	
<b>PRIVATE COSTS - GREEN MEADOWS - PHASE 1B</b>		<b>\$6,878,791</b>
		<b>\$80,144</b>
<b>TOTAL COST - GREEN MEADOWS - PHASE 1B</b>		<b>\$18,126,440</b>
		<b>PER LOT</b>
		<b>\$100,846</b>



**PRELIMINARY OPINION OF PROBABLE COST-COST SHARING BREAKDOWN**

		UPDATED:	1/30/2025
		CREATED:	01/11/2024
PROJECT:	Green Meadows TRACT 3A	ACREAGE:	26.5
CITY:	Calina	# OF LOTS:	99

DIRECT PUBLIC COSTS SUMMARY		PHSE 2A
A.	ENTITLEMENT & IMPACT	\$222,760
B.	TECH., TESTING, ENGINEERING & DESIGN	\$572,051
C.	EXCAVATION & SEDIMENT CONTROL	\$203,851
D.	SANITARY SEWER	\$623,935
E.	WATER SYSTEM	\$617,481
F.	STORM SEWER SYSTEM	\$792,765
H.	PAVING	\$1,575,821
I.	CAREY ROAD IMPROVEMENT	\$2,102,700
J.	McNABB DRIVE IMPROVEMENT	\$619,520
M.	DISTRICT FORMATION	\$403,000
N.	MISCELLANEOUS	\$693,626
TOTAL		\$8,427,701

PRIVATE COSTS SUMMARY		PHSE 3A
A.	ENTITLEMENT & IMPACT	\$2,285
B.	TECH., TESTING, ENGINEERING & DESIGN	\$366,764
C.	EXCAVATION & SEDIMENT CONTROL	\$1,021,591
G.	RETAINING WALLS	\$106,500
H.	PAVING	\$32,150
K.	FRANCHISE UTILITIES	\$252,150
L.	PERIMETER SCREENING & OPEN SPACE IMPROVEMENT	\$486,413
N.	MISCELLANEOUS	\$199,080
TOTAL		\$2,499,933

IMPACT FEE		PHSE 5
O.	FEES (See Note #2)	\$1,183,050

**TOTAL DEVELOPMENT COSTS \$10,887,633**

**NOTES:**

- Since the design professional has no control over the cost of labor, materials, or equipment, or over the contractor's method of determining prices, or over competitive bidding or market conditions, his opinions of probable development cost provided for herein are to be made on the basis of his experience and qualifications. These opinions represent his best judgment as a design professional familiar with the construction industry. However, the design professional cannot and does not guarantee that proposals, bids, or the development cost will not vary from opinions of probable costs prepared by him. If the owner wishes greater assurance as to the developer costs, he shall employ an independent cost estimator.
- Impact Fees are not included in the development cost. The Capital Road Fee and Park Fee (Due to Calina) and the Water and Sewer Impact Fee (Due to Mustang SUD) are due at building permit.
- Tract development assumes that Punk Carter Blvd and adjacent detention areas to Tract 5 are existing.
- Assumes Construction sequence: Tract 5, Tract 3 then Tract 4.
- Carey Road full costs are shown adjacent to Tracts 3A & 3B. The road benefits both Tract 3A & 3B. The costs should be allocated accordingly.
- McNabb Road costs are 50% of total cost. The total costs are allocated between Tract 5 & 3A/3B



PRELIMINARY OPINION OF PROBABLE COST-COST SHARING BREAKDOWN

		UPDATED: 1/30/2025	
		CREATED: 01/11/2024	
PROJECT:	Green Meadows	ACREAGE:	20.5
CITY:	Celina	# OF LOTS:	99
		PHASE:	3A
		TYP. LOT SIZE:	

SUMMARY	TOTALS	DIRECT PUBLIC COSTS	PRIVATE COSTS	NOTES
A. ENTITLEMENT & IMPACT	\$225,045	\$222,760	\$2,285	
B. TECH., TESTING, ENGINEERING & DESIGN	\$938,815	\$572,051	\$366,764	
C. EXCAVATION & SEDIMENT CONTROL	\$1,225,442	\$293,851	\$1,021,591	
D. SANITARY SEWER	\$623,935	\$623,935	\$0	
E. WATER SYSTEM	\$617,481	\$617,481	\$0	
F. STORM SEWER SYSTEM	\$792,765	\$792,765	\$0	
G. RETAINING WALLS	\$108,500	\$0	\$108,500	
H. PAVING	\$1,607,971	\$1,575,821	\$32,150	
I. CAREY ROAD IMPROVEMENT	\$2,162,790	\$2,162,790	\$0	SEE NOTE #5
J. McNABB ROAD IMPROVEMENT	\$619,620	\$619,620	\$0	SEE NOTE #6
K. FRANCHISE UTILITIES	\$252,150	\$0	\$252,150	
L. PERIMETER SCREENING & OPEN SPACE IMPROVEMENTS	\$486,413	\$0	\$486,413	PER JOHNSON VOL#
M. DISTRICT FORMATION	\$403,000	\$403,000	\$0	
N. MISCELLANEOUS	\$883,787	\$693,626	\$190,000	
O. FEES	\$1,183,050	\$0	\$0	SEE NOTE #3
	<b>SOFT COST SUB-TOTAL</b>	<b>\$1,183,050</b>	<b>\$794,811</b>	<b>\$388,239</b>
	<b>HARD COST SUB-TOTAL</b>	<b>\$8,840,067</b>	<b>\$6,939,264</b>	<b>\$1,900,803</b>
	<b>MISCELLANEOUS SUB-TOTAL</b>	<b>\$883,787</b>	<b>\$693,626</b>	<b>\$190,000</b>
	<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$10,887,834</b>	<b>\$8,427,701</b>	<b>\$2,460,133</b>

NOTES:  
 1. Since the design professional has no control over the cost of labor, materials, or equipment, or over the contractor's method of determining prices, or over competitive bidding or market conditions, his opinions of probable development cost provided for herein are to be made on the basis of his experience and qualifications. These opinions represent his best judgment as a design professional familiar with the construction industry. However, the design professional cannot and does not guarantee that proposals, bids, or the development cost will not vary from opinions of probable costs prepared by him. If the owner wishes greater assurance as to the developer costs, he shall employ an independent cost estimator.

TOTAL DEVELOPMENT COSTS \$10,887,834 \$8,427,701 \$2,460,133

LOT COUNT	99
COST PER LOT	\$108,976
COST PER ACRE	\$410,752.40

- Impact Fees are not included in the development cost. The Capital Road Fee and Park Fee (Due to Celina) and the Water and Sewer Impact Fee (Due to Missing SUD) are due at building permit.
- Tract development assumes that Punk Corner Blvd and adjacent detention areas to Tract 5 are existing.
- Assumes Construction sequence: Tract 5, Tract 3 then Tract 4.
- Carey Road full costs are shown adjacent to Tracts 3A & 3B. The road benefits both Tract 3A & 3B. The costs should be allocated accordingly.
- McNabb Road costs are 50% of total cost. The total costs are allocated between Tract 5 & 3A/3B.

A. ENTITLEMENT & IMPACT							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
PRELIMINARY-FINAL APPLICATION FEE	LS	0	1,000.00	\$0	\$0	\$0	Previously approved
RECORD PLAT APPLICATION FEE	LS	1	2,285.00	\$2,285	\$0	\$2,285	
MUNICIPAL / INSPECTION FEES	PERCENT	3.5%	6,364,562.63	\$222,760	\$222,760	\$0	
<b>SUB - TOTAL ENTITLEMENT &amp; IMPACT</b>				<b>\$225,045</b>	<b>\$222,760</b>	<b>\$2,285</b>	

B. TECHNICAL, TESTING, ENGINEERING & DESIGN							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
LANDSCAPE ARCHITECTURE	LS	1	42,245.00	\$42,245	\$0	\$42,245	PER JOHNSON VOL#
CONSTRUCTION PH. - ENGR. & SURVEY	PERCENT	10%	7,698,504.23	\$769,850	\$483,347	\$286,503	
SOIL & ENVIRONMENTAL TESTING	LOT	99	400.00	\$39,600	\$39,600	\$0	Assumed 70% Reimbursment
COMPACTION / CONSTRUCTION TESTING	LOT	99	880.00	\$87,120	\$87,120	\$0	Assumed 70% Reimbursment
<b>SUB - TOTAL TECHNICAL, TESTING, ENGINEERING &amp; DESIGN</b>				<b>\$938,815</b>	<b>\$572,051</b>	<b>\$366,764</b>	

NOTE: SOIL & ENVIRONMENTAL TESTING INCLUDES FINAL GEOTECH TO RECOMMEND MASS GRADING CRITERIA OF MOISTURE CONDITIONING, UNDERCUT, & POLY FOR PADS.



PRELIMINARY OPINION OF PROBABLE COST-COST SHARING BREAKDOWN

				UPDATED:	1/30/2025
				CREATED:	01/11/2024
PROJECT:	Green Meadows	ACREAGE:	26.5	# OF LOTS:	90
CITY:	Cedar	PHASE:	3A	TYP. LOT SIZE:	

CONSTRUCTION - HARD COSTS

C. EXCAVATION & SEDIMENT CONTROL							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
CLEARING & BRUSHING	ACRE	21.16	1,500.00	\$31,738	\$0	\$31,738	
CLEARING & BRUSHING-ROW	ACRE	5.35	1,500.00	\$8,025	\$0	\$8,025	
EXCAVATION AND PLACEMENT OF FILL	CY	53,000	4.00	\$212,000	\$0	\$212,000	
EXCAVATION AND PLACEMENT OF FILL-ROW	CY	13,000	4.00	\$52,000	\$52,000	\$0	
LOTS MOISTURE CONDITIONING	LOT	99	8,700.00	\$861,300	\$0	\$861,300	Assumes 8' Depth
PAVEMENT MOISTURE CONDITIONING	SY	18,776	7.00	\$131,429	\$131,429	\$0	Assumes 2' Depth
GRADING - LOTS	LOT	99	425.00	\$42,075	\$0	\$42,075	
SEDIMENT CONTROL	LOT	99	500.00	\$49,500	\$0	\$49,500	
OVERSEEDING LOTS	ACRE	26.51	400.00	\$10,603	\$0	\$10,603	
ROCK CHECK DAM	EA	2	1,500.00	\$3,000	\$0	\$3,000	
SILT FENCE (WIRE BACK W/ STEEL POSTS)	LF	4,636	2.00	\$9,275	\$9,275	\$0	
STORM WATER MANAGEMENT	LS	1	12,500	\$12,500	\$3,125	\$9,375	Assumes 25% Reimbursment
<b>SUB - TOTAL EXCAVATION &amp; SEDIMENT CONTROL</b>				<b>\$1,225,442</b>	<b>\$263,691</b>	<b>\$1,021,991</b>	

NOTE: SEDIMENT CONTROL INCLUDES CONSTRUCTION ENTRANCE, SEDIMENT ROCK CHECK DAMS, SILET PROTECTION & MAINTENANCE OF EROSION

D. SANITARY SEWER							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
8" P.V.C. PIPE (SSWR)	LF	3,339	78.00	\$260,415	\$260,415	\$0	
10" P.V.C. PIPE	LF	935	100.00	\$93,511	\$93,511	\$0	
4" SERVICE LINES	EA	102	1,315.00	\$134,130	\$134,130	\$0	
4" FORCE MAIN PIPE	LF	287	120.00	\$34,440	\$34,440	\$0	
4" DIAMETER MANHOLE	EA	7	8,500.00	\$59,500	\$59,500	\$0	
5" DIAMETER MANHOLE	EA	5	9,000.00	\$45,000	\$45,000	\$0	
CLEANOUT	EA	4	2,000.00	\$8,000	\$8,000	\$0	
TRENCH SAFETY	LF	4,174	0.10	\$417	\$417	\$0	
TESTING (EXCLUDING GEOTECH)	LF	4,174	3.00	\$12,521	\$12,521	\$0	
<b>SUB - TOTAL SANITARY SEWER</b>				<b>\$623,936</b>	<b>\$623,936</b>	<b>\$0</b>	

E. WATER SYSTEM							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
8" P.V.C. WATERLINE (DR 14 C900)	LF	4,199	67.00	\$281,353	\$281,353	\$0	
12" P.V.C. WATERLINE (DR 14 C900)	LF	484	96.00	\$47,458	\$47,458	\$0	
8" GATE VALVE & BOX	EA	18	2,300.00	\$41,400	\$41,400	\$0	
12" GATE VALVE & BOX	EA	3	4,100.00	\$12,300	\$12,300	\$0	
FIRE HYDRANT ASSEMBLY	EA	9	7,000.00	\$63,000	\$63,000	\$0	
CONNECT TO EX WATER	EA	2	2,210.00	\$4,420	\$4,420	\$0	
1" SINGLE WATER SERVICE	EA	102	1,500.00	\$153,000	\$153,000	\$0	
TRENCH SAFETY	LF	4,694	0.10	\$469	\$469	\$0	
TESTING (EXCLUDING GEOTECH)	LF	4,694	3.00	\$14,081	\$14,081	\$0	
<b>SUB - TOTAL WATER SYSTEM</b>				<b>\$617,481</b>	<b>\$617,481</b>	<b>\$0</b>	





PRELIMINARY OPINION OF PROBABLE COST-COST SHARING BREAKDOWN

PROJECT: Green Meadows		ACREAGE: 26.3	UPDATED: 1/30/2025
CITY: Culina		PHASE: 3A	CREATED: 01/11/2024
			# OF LOTS: 00
			TYP. LOT SIZE:

F. STORM SEWER SYSTEM								
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES	
18" R.C.P.	LF	748	80.00	\$59,840	\$59,840	\$0		
21" R.C.P.	LF	0	95.00	\$0	\$0	\$0		
24" R.C.P.	LF	1,127	150.00	\$169,050	\$169,050	\$0		
30" R.C.P.	LF	492	130.00	\$63,960	\$63,960	\$0		
36" R.C.P.	LF	0	150.00	\$0	\$0	\$0		
42" R.C.P.	LF	290	195.00	\$56,550	\$56,550	\$0		
48" R.C.P.	LF	295	230.00	\$67,850	\$67,850	\$0		
54" R.C.P.	LF	0	300.00	\$0	\$0	\$0		
10" INLET	EA	14	7,250.00	\$101,500	\$101,500	\$0		
15" INLET	EA	1	9,500.00	\$9,500	\$9,500	\$0		
JUNCTION BOX	EA	5	8,800.00	\$44,000	\$44,000	\$0		
30" HEADWALL	EA	0	5,000.00	\$0	\$0	\$0		
36" HEADWALL	EA	0	5,500.00	\$0	\$0	\$0		
48" HEADWALL	EA	1	7,500.00	\$7,500	\$7,500	\$0		
54" HEADWALL	EA	0	8,000.00	\$0	\$0	\$0		
RETENTION POND	EA	2	125,000.00	\$250,000	\$250,000	\$0		
ROCK RIP-RAP	SY	107	150.00	\$16,050	\$16,050	\$0		
REMOVE EX HEADWALL & CONNECT TO EX STORM	EA	1	3,000.00	\$3,000	\$3,000	\$0		
TRENCH SAFETY	LF	2992	0.10	\$299.20	\$299.20	\$0		
<b>SUB - TOTAL STORM SEWER SYSTEM</b>				<b>\$792,765</b>	<b>\$792,765</b>	<b>\$0</b>		

G. RETAINING WALLS								
NUMBER	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
2'	RETAINING WALL	LF	550	50.00	\$27,500	\$0	\$27,500	
4'	RETAINING WALL	LF	600	75.00	\$45,000	\$0	\$45,000	
8'	RETAINING WALL	LF	300	120.00	\$36,000	\$0	\$36,000	
<b>SUB - TOTAL RETAINING WALLS</b>				<b>\$108,500</b>	<b>\$0</b>	<b>\$108,500</b>		

H. PAVING								
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES	
7" REINF. CONCRETE STREET PAVEMENT	SY	15,517	80.00	\$1,241,357	\$1,241,357	\$0		Assumes 30'-6"
6" COMPACTED LIME SUBGRADE	SY	17,069	3.20	\$54,620	\$54,620	\$0		
HYDRATED LIME MATERIAL (60 lbs/ty)	TON	512	300.00	\$153,600	\$153,600	\$0		
5' CONCRETE SIDEWALK BY DEVELOPER	LF	414	38.00	\$15,732	\$15,732	\$0		
5' CONCRETE TRAIL BY DEVELOPER	LF	486	40.00	\$19,440	\$19,440	\$0		
BARRIER FREE RAMPS	EA	14	2,800.00	\$39,200	\$39,200	\$0		
STREET SIGNS W/ POSTS	EA	6	2,000.00	\$12,000	\$12,000	\$0		
STOP SIGNS	EA	6	2,000.00	\$12,000	\$12,000	\$0		
CBU MAILBOX UNIT	LOT	99	350.00	\$34,650	\$34,650	\$32,150		
DOWEL AND CONNECT TO EXISTING PAVEMENT	LF	60	25.00	\$1,500	\$1,500	\$0		
TRAFFIC CONTROL	MO	3	3,000.00	\$9,000	\$9,000	\$0		
<b>SUB - TOTAL PAVING</b>				<b>\$1,497,971</b>	<b>\$1,475,821</b>	<b>\$32,150</b>		

1. ASSUMES 50' ROW (20' B-B) FOR RESIDENTIAL ROADS AND 60' ROW (37' B-B) COLLECTOR ROADS PER CELINA ROADWAY STDs



PRELIMINARY OPINION OF PROBABLE COST-COST SHARING BREAKDOWN

PROJECT: Green Meadows		ACREAGE: 26.5	UPDATED: 1/30/2023
CITY: Colma		PHASE: 3A	CREATED: 8/11/2024
		# OF LOTS: 99	
		TYP. LOT SIZE:	

CAREY ROAD IMPROVEMENT							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
12" P.V.C. WATERLINE (DR 14 C900)	LF	2,060	96.00	\$197,760	\$197,760	\$0	
12" GATE VALVE & BOX	EA	8	4,100.00	\$32,800	\$32,800	\$0	
FIRE HYDRANT ASSEMBLY	EA	4	7,000.00	\$28,000	\$28,000	\$0	
18" R.C.P.	LF	80	80.00	\$6,400	\$6,400	\$0	
24" R.C.P.	LF	450	100.00	\$45,000	\$45,000	\$0	
30" R.C.P.	LF	470	130.00	\$61,300	\$61,300	\$0	
36" R.C.P.	LF	670	150.00	\$100,500	\$100,500	\$0	
48" R.C.P.	LF	50	230.00	\$11,500	\$11,500	\$0	
10" INLET	EA	8	7,250.00	\$58,000	\$58,000	\$0	
48" HEADWALL	EA	1	7,500.00	\$7,500	\$7,500	\$0	
ROCK RIP-RAP	SY	107	150.00	\$16,050	\$16,050	\$0	
8" REINF. CONCRETE STREET PAVEMENT	SY	8,710	90.00	\$783,900	\$783,900	\$0	Assumes 12" depth
6" COMPACTED LIME SUBGRADE	SY	9,581	3.50	\$33,534	\$33,534	\$0	
HYDRATED LIME MATERIAL (60 lb/sy)	TON	287	300.00	\$86,220	\$86,220	\$0	
EXCAVATION AND PLACEMENT OF FILL	CY	7,000	4.00	\$28,000	\$28,000	\$0	
PAVEMENT MOISTURE CONDITIONING	SY	10,539	7.00	\$73,774	\$73,774	\$0	Assumes 3 Depth
TRANSITION TO EXISTING PAVEMENT	LS	1	20,000.00	\$20,000	\$20,000	\$0	
5' CONCRETE SIDEWALK BY DEVELOPER	LF	2,835	38.00	\$107,730	\$107,730	\$0	
BARRIER FREE RAMPS	EA	8	2,800.00	\$22,400	\$22,400	\$0	
STREET SIGNS W/ POSTS	EA	3	2,000.00	\$6,000	\$6,000	\$0	
STOP SIGNS	EA	3	2,000.00	\$6,000	\$6,000	\$0	
STREET & LOT LIGHTING	EA	10	3,000.00	\$30,000	\$30,000	\$0	
TRENCH SAFETY	LF	2140	0.10	\$214	\$214	\$0	
TESTING (EXCLUDING GEOTECH)	LF	2140	3.00	\$6,420	\$6,420	\$0	
ROW ACQUISITION	AC	1.6	217,800.00	\$348,480	\$348,480	\$0	
<b>SUB - TOTAL CAREY ROAD IMPROVEMENT</b>				<b>\$2,192,790</b>	<b>\$2,192,790</b>	<b>\$0</b>	

and accordingly.

McNABB DRIVE IMPROVEMENT							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
16" P.V.C. WATERLINE	LF	0	96.00	\$0	\$0	\$0	Excluded in infrastructure set
16" GATE VALVE & BOX	EA	0	4,100.00	\$0	\$0	\$0	Excluded in infrastructure set
FIRE HYDRANT ASSEMBLY	EA	0	7,000.00	\$0	\$0	\$0	Excluded in infrastructure set
CONNECT TO EX WATER	EA	0	2,210.00	\$0	\$0	\$0	Excluded in infrastructure set
18" R.C.P.	LF	242	80.00	\$19,372	\$19,372	\$0	
10" INLET	EA	3	7,250.00	\$21,750	\$21,750	\$0	
8" REINF. CONCRETE STREET PAVEMENT	SY	8,491	90.00	\$764,210	\$764,210	\$0	Assumes 12" depth
6" COMPACTED LIME SUBGRADE	SY	9,340	3.50	\$32,691	\$32,691	\$0	
HYDRATED LIME MATERIAL (60 lb/sy)	TON	280	300.00	\$84,060	\$84,060	\$0	
EXCAVATION AND PLACEMENT OF FILL	CY	7,000	4.00	\$28,000	\$28,000	\$0	
PAVEMENT MOISTURE CONDITIONING	SY	10,274	7.00	\$71,921	\$71,921	\$0	Assumes 3 Depth
DOWEL AND CONNECT TO EXISTING PAVEMENT	LF	80	25.00	\$1,500	\$1,500	\$0	
5' CONCRETE SIDEWALK BY DEVELOPER	LF	1,320	38.00	\$50,168	\$50,168	\$0	
5' CONCRETE TRAIL BY DEVELOPER	LF	1,340	60.00	\$80,377	\$80,377	\$0	
BARRIER FREE RAMPS	EA	10	2,800.00	\$28,000	\$28,000	\$0	
STREET SIGNS W/ POSTS	EA	13	2,000.00	\$26,000	\$26,000	\$0	
STOP SIGNS	EA	2	2,000.00	\$4,000	\$4,000	\$0	
STREET & LOT LIGHTING	EA	7	3,000.00	\$21,000	\$21,000	\$0	
STAMPED CONCRETE	SY	381	30.00	\$11,435	\$11,435	\$0	
TRENCH SAFETY	LF	242	0.10	\$24	\$24	\$0	
TESTING (EXCLUDING GEOTECH)	LF	242	3.00	\$726	\$726	\$0	
<b>SUB - TOTAL McNABB DRIVE IMPROVEMENT (FULL COST)</b>				<b>\$1,239,240</b>	<b>\$1,239,240</b>	<b>\$0</b>	
<b>TRACT 3A/3B COST RESPONSIBILITY (50%)</b>				<b>\$619,620</b>	<b>\$619,620</b>	<b>\$0</b>	

NOTE: McNabb Road costs are 50% of total cost. The total costs are allocated between Tract 5 & 3A/3B



PRELIMINARY OPINION OF PROBABLE COST-COST SHARING BREAKDOWN

				UPDATED:	1/30/2025
				CREATED:	01/11/2024
PROJECT:	Green Meadows	ACREAGE:	26.5	# OF LOTS:	00
CITY:	Delina	PHASE:	3A	TYP. LOT SIZE:	

K FRANCHISE UTILITIES								
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES	
4" ELECTRIC CONDUIT	LF	400	15.00	\$6,000	\$0	\$6,000		
ELECTRIC DISTRIBUTION	LOT	00	1,200.00	\$118,800	\$0	\$118,800	Reserve Credit	
GAS DISTRIBUTION	LOT	00	1,000.00	\$0,000	\$0	\$00,000	Reserve Credit	
STREET & LOT LIGHTING	EA	9	3,000.00	\$27,000	\$0	\$27,000		
STREET LIGHT CONDUIT	EA	9	150.00	\$1,350	\$0	\$1,350		
<b>SUB - TOTAL FRANCHISE UTILITIES</b>				<b>\$252,150</b>	<b>\$0</b>	<b>\$252,150</b>		

L PERIMETER SCREENING & OPEN SPACE IMPROVEMENT								
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES	
LANDSCAPING AND IRRIGATION	LS	1	323,711.60	\$323,712	\$0	\$323,712	PDR JOHNSON VOLK	
ENTRY IMPROVEMENTS	LS	1	44,373.00	\$44,373	\$0	\$44,373	PDR JOHNSON VOLK	
PERIMETER FENCING	LS	1	118,328.00	\$118,328	\$0	\$118,328	PDR JOHNSON VOLK	
POCKET PARK	LS	0	450,000.00	\$0	\$0	\$0	PDR JOHNSON VOLK	
<b>SUB - TOTAL PERIMETER SCREENING &amp; OPEN SPACE IMPROVEMENTS</b>				<b>\$486,413</b>	<b>\$0</b>	<b>\$486,413</b>		

M DISTRICT FORMATION								
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES	
DISTRICT FORMATION	LS	1	403,000.00	\$403,000	\$403,000	\$0		
<b>SUB - TOTAL DISTRICT FORMATION</b>				<b>\$403,000</b>	<b>\$403,000</b>	<b>\$0</b>		

N MISCELLANEOUS								
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES	
UNEXPECTED COSTS (HARD COSTS)	PERCENT	10%	8,857,070.00	\$883,707	\$693,626	\$190,080		
<b>SUB - TOTAL MISCELLANEOUS</b>				<b>\$883,707</b>	<b>\$693,626</b>	<b>\$190,080</b>		

O FEES								
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES	
ROADWAY CAPITAL FEE	LOT	00	450.00	\$44,550	\$0	\$0	Due at Issuance Period	
PARK FEE	LOT	00	1,000.00	\$00,000	\$0	\$0	Due at Issuance Period	
WATER IMPACT FEE	LOT	00	4,500.00	\$445,500	\$0	\$0	Due at Issuance Period	
SANITARY IMPACT FEE	LOT	00	6,000.00	\$594,000	\$0	\$0	Due at Issuance Period	
<b>SUB - TOTAL FEES</b>				<b>\$1,184,050</b>	<b>\$0</b>	<b>\$0</b>		



**PRELIMINARY OPINION OF PROBABLE COST-COST SHARING BREAKDOWN**

		<b>UPDATED:</b>	1/28/2025
		<b>CREATED:</b>	01/11/2024
<b>PROJECT:</b>	Green Meadows TRACTS 5	<b>ACREAGE:</b>	67.23
<b>CITY:</b>	Celina	<b># OF LOTS:</b>	266

<b>DIRECT PUBLIC COSTS SUMMARY</b>		<b>PHASE 5</b>
A.	ENTITLEMENT & IMPACT	\$370,106
B.	TECH., TESTING, ENGINEERING & DESIGN	\$1,338,326
C.	EXCAVATION & SEDIMENT CONTROL	\$513,552
D.	SANITARY SEWER	\$1,609,292
E.	WATER SYSTEM	\$1,585,650
F.	STORM SEWER SYSTEM	\$1,562,958
H.	PAVING	\$4,102,239
I.	CAREY ROAD IMPROVEMENT	\$986,583
J.	McNABB DRIVE IMPROVEMENT	\$619,620
M.	DISTRICT FORMATION	\$810,000
N.	MISCELLANEOUS	\$1,099,989
<b>TOTAL</b>		<b>\$14,618,314</b>

<b>PRIVATE COSTS SUMMARY</b>		<b>PHASE 5</b>
A.	ENTITLEMENT & IMPACT	\$4,790
B.	TECH., TESTING, ENGINEERING & DESIGN	\$492,731
C.	EXCAVATION & SEDIMENT CONTROL	\$2,595,270
G.	RETAINING WALLS	\$422,500
H.	PAVING	\$88,100
K.	FRANCHISE UTILITIES	\$681,800
L.	PERIMETER SCREENING & OPEN SPACE IMPROVEMENT	\$1,220,000
N.	MISCELLANEOUS	\$500,767
<b>TOTAL</b>		<b>\$6,005,958</b>

<b>IMPACT FEE</b>		<b>PHASE 5</b>
O.	FEES (See Note #2)	\$3,178,700

**TOTAL DEVELOPMENT COSTS \$20,624,272**

**NOTES:**

- Since the design professional has no control over the cost of labor, materials, or equipment, or over the contractor's method of determining prices, or over competitive bidding or market conditions, his opinions of probable development cost provided for herein are to be made on the basis of his experience and qualifications. These opinions represent his best judgement as a design professional familiar with the construction industry. However, the design professional cannot and does not guarantee that proposals, bids, or the development cost will not vary from opinions of probable costs prepared by him. If the owner wishes greater assurance as to the developer costs, he shall employ an independent cost estimator.
- Impact Fees are not included in the development cost. The Capital Road Fee and Park Fee (Due to Celina) and the Water and Sewer Impact Fee (Due to Mustang SUD) are due at building permit.
- Tract development assumes that Punk Carter Blvd and adjacent detention areas to Tract 5 are existing.
- Assumes Construction sequence: Tract 5, Tract 3 then Tract 4.
- Carey Road full costs are shown. The road benefits both Tract 5 & 9. The costs should be allocated accordingly.
- McNabb Road costs are 50% of total cost. The total costs are allocated between Tract 5 & 3A/3B.





PRELIMINARY OPINION OF PROBABLE COST-COST SHARING BREAKDOWN

		UPDATED: 1/28/2025	
		CREATED: 01/11/2024	
PROJECT:	Green Meadows	ACREAGE:	67.23
CITY:	Celina	PHASE:	5
		# OF LOTS:	266
		TYP. LOT SIZE:	

SUMMARY	TOTALS	DIRECT PUBLIC COSTS	PRIVATE COSTS	NOTES
A. ENTITLEMENT & IMPACT	\$374,895	\$370,105	\$4,790	
B. TECH., TESTING, ENGINEERING & DESIGN	\$1,831,056	\$1,338,325	\$492,731	
C. EXCAVATION & SEDIMENT CONTROL	\$3,108,822	\$513,552	\$2,595,270	
D. SANITARY SEWER	\$1,608,292	\$1,609,292	\$0	
E. WATER SYSTEM	\$1,585,650	\$1,585,650	\$0	
F. STORM SEWER SYSTEM	\$1,582,958	\$1,582,958	\$0	
G. RETAINING WALLS	\$422,500	\$0	\$422,500	
H. PAVING	\$4,190,339	\$4,102,239	\$88,100	
I. CAREY ROAD IMPROVEMENT	\$986,583	\$986,583	\$0	SEE NOTE #6
J. McNABB DRIVE IMPROVEMENT	\$619,620	\$619,620	\$0	SEE NOTE #6
K. FRANCHISE UTILITIES	\$681,800	\$0	\$681,800	
L. PERIMETER SCREENING & OPEN SPACE IMPROVEMENTS	\$1,220,000	\$0	\$1,220,000	
M. DISTRICT FORMATION	\$810,000	\$810,000	\$0	
N. MISCELLANEOUS	\$1,600,756	\$1,099,989	\$500,767	
O. FEES	\$3,178,700	\$0	\$0	SEE NOTE #2
	<b>SOFT COST SUB-TOTAL</b>	<b>\$2,205,952</b>	<b>\$1,708,431</b>	<b>\$497,521</b>
	<b>HARD COST SUB-TOTAL</b>	<b>\$16,007,564</b>	<b>\$10,999,894</b>	<b>\$5,007,670</b>
	<b>MISCELLANEOUS SUB-TOTAL</b>	<b>\$2,410,756</b>	<b>\$1,909,989</b>	<b>\$500,767</b>
	<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$20,624,272</b>	<b>\$14,618,314</b>	<b>\$6,005,958</b>

NOTES:  
 1. Since the design professional has no control over the cost of labor, materials, or equipment, or over the contractor's method of determining prices, or over competitive bidding or market conditions, his opinions of probable development cost provided for herein are to be made on the basis of his experience and qualifications. These opinions represent his best judgement as a design professional familiar with the construction industry. However, the design professional cannot and does not guarantee that proposals, bids, or the development cost will not vary from opinions of probable costs prepared by him. If the owner wishes greater assurance as to the developer costs, he shall employ an independent cost estimator.

LOT COUNT:	266
COST PER LOT:	\$77,535
COST PER ACRE:	\$306,779.82

- Impact Fees are not included in the development cost. The Capital Road Fee and Park Fee (Due to Celina) and the Water and Sewer Impact Fee (Due to Mustang SUD) are due at building permit.
- Tract development assumes that Punk Carter Blvd and adjacent detention areas to Tract 5 are existing.
- Assumes Construction sequence: Tract 5, Tract 3 then Tract 4.
- Carey Road full costs are shown. The road benefits both Tract 5 & 9. The costs should be allocated accordingly.
- McNabb Road costs are 50% of total cost. The total costs are allocated between Tract 5 & 3A/3B

A. ENTITLEMENT & IMPACT							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
PRELIMINARY-FINAL APPLICATION FEE	LS	0	1,000.00	\$0	\$0	\$0	Previously approved
RECORD PLAT APPLICATION FEE	LS	1	4,790.00	\$4,790	\$0	\$4,790	
MUNICIPAL / INSPECTION FEES	PERCENT	3.5%	10,574,442.11	\$370,105	\$370,105	\$0	
<b>SUB - TOTAL ENTITLEMENT &amp; IMPACT</b>				<b>\$374,895</b>	<b>\$370,105</b>	<b>\$4,790</b>	

B. TECHNICAL, TESTING, ENGINEERING & DESIGN							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
LANDSCAPE ARCHITECTURE	LS	1.00	80,000.00	\$80,000	\$0	\$80,000	
CONSTRUCTION PH. - ENGR. & SURVEY	PERCENT	10%	14,105,764.10	\$1,410,576	\$1,099,989	\$310,587	
SOIL & ENVIRONMENTAL TESTING	LOT	266	400.00	\$106,400	\$74,480	\$31,920	Assumed 70% Reimbursement
COMPACTION / CONSTRUCTION TESTING	LOT	266	880.00	\$234,080	\$163,856	\$70,224	Assumed 70% Reimbursement
<b>SUB - TOTAL TECHNICAL, TESTING, ENGINEERING &amp; DESIGN</b>				<b>\$1,831,056</b>	<b>\$1,338,325</b>	<b>\$492,731</b>	

NOTE: SOIL & ENVIRONMENTAL TESTING INCLUDES FINAL GEOTECH TO RECOMMEND MASS GRADING CRITERIA OF MOISTURE CONDITIONING, UNDERCUT, & POLY FOR PADS



PRELIMINARY OPINION OF PROBABLE COST-COST SHARING BREAKDOWN

				UPDATED	1/28/2025
				CREATED:	01/11/2024
PROJECT:	Green Meadows	ACREAGE:	67.23	# OF LOTS:	266
CITY:	Celina	PHASE:	5	TYP. LOT SIZE:	

CONSTRUCTION - HARD COSTS

C. EXCAVATION & SEDIMENT CONTROL								
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES	
CLEARING & BRUSHING	ACRE	51.23	1,500.00	\$76,845		\$76,845		
CLEARING & BRUSHING-ROW	ACRE	13.27	1,500.00	\$19,905	\$19,905	\$0		
EXCAVATION AND PLACEMENT OF FILL	CY	113,000	4.00	\$452,000	\$0	\$452,000		
EXCAVATION AND PLACEMENT OF FILL-ROW	CY	35,000	4.00	\$140,000	\$140,000	\$0		
LOTS MOISTURE CONDITIONING	LOT	266	6,700.00	\$1,782,200	\$0	\$1,782,200	Assumes 8' Depth	
PAVEMENT MOISTURE CONDITIONING	SY	47,686	7.00	\$333,801	\$333,801	\$0	Assumes 8' Depth	
GRADING - LOTS	LOT	266	425.00	\$113,050	\$0	\$113,050		
SEDIMENT CONTROL	LOT	266	500.00	\$133,000	\$0	\$133,000		
OVERSEEDING LOTS	ACRE	64.50	400.00	\$25,800	\$0	\$25,800		
ROCK CHECK DAM	EA	2	1,500.00	\$3,000	\$0	\$3,000		
SILT FENCE (WIRE BACK W/ STEEL POSTS)	LF	8,360	2.00	\$16,721	\$16,721	\$0		
STORM WATER MANAGEMENT	LS	1	12,500	\$12,500	\$3,125	\$9,375	Assumed 25% Reimbursement	
<b>SUB - TOTAL EXCAVATION &amp; SEDIMENT CONTROL</b>				<b>\$3,108,822</b>	<b>\$513,552</b>	<b>\$2,595,270</b>		

NOTE: SEDIMENT CONTROL INCLUDES CONSTRUCTION ENTRANCE, SEEDING, ROCK CHECK DAMS, INLET PROTECTION & MAINTENANCE OF EROSION.

D. SANITARY SEWER								
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES	
8" P.V.C. PIPE	LF	9,700	78.00	\$756,600	\$756,600	\$0		
10" P.V.C. PIPE	LF	1,720	100.00	\$172,000	\$172,000	\$0		
4" SERVICE LINES	EA	266	1,315.00	\$349,790	\$349,790	\$0		
4" DIAMETER MANHOLE	EA	31	6,500.00	\$201,500	\$201,500	\$0		
5" DIAMETER MANHOLE	EA	10	9,000.00	\$90,000	\$90,000	\$0		
CLEANOUT	EA	2	2,000.00	\$4,000	\$4,000	\$0		
TRENCH SAFETY	LF	11420	0.10	\$1,142	\$1,142	\$0		
TESTING (EXCLUDING GEOTECH)	LF	11420	3.00	\$34,260	\$34,260	\$0		
<b>SUB - TOTAL SANITARY SEWER</b>				<b>\$1,609,292</b>	<b>\$1,609,292</b>	<b>\$0</b>		

E. WATER SYSTEM								
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES	
8" P.V.C. WATERLINE (DR 14 C900)	LF	10,100	67.00	\$676,700	\$676,700	\$0		
12" P.V.C. WATERLINE (DR 14 C900)	LF	1,800	96.00	\$172,800	\$172,800	\$0		
8" GATE VALVE & BOX	EA	38	2,300.00	\$87,400	\$87,400	\$0		
12" GATE VALVE & BOX	EA	6	4,100.00	\$24,600	\$24,600	\$0		
FIRE HYDRANT ASSEMBLY	EA	25	7,000.00	\$175,000	\$175,000	\$0		
CONNECT TO EX WATER	EA	6	2,210.00	\$13,260	\$13,260	\$0		
1" SINGLE WATER SERVICE	EA	266	1,500.00	\$399,000	\$399,000	\$0		
TRENCH SAFETY	LF	11900	0.10	\$1,190	\$1,190	\$0		
TESTING (EXCLUDING GEOTECH)	LF	11900	3.00	\$35,700	\$35,700	\$0		
<b>SUB - TOTAL WATER SYSTEM</b>				<b>\$1,585,650</b>	<b>\$1,585,650</b>	<b>\$0</b>		



PRELIMINARY OPINION OF PROBABLE COST-COST SHARING BREAKDOWN

				UPDATED:	1/28/2025
				CREATED:	01/11/2024
PROJECT:	Green Meadows	ACREAGE:	67.23	# OF LOTS:	266
CITY:	Celina	PHASE:	5	TYP. LOT SIZE:	

F. STORM SEWER SYSTEM							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
18" R.C.P.	LF	2,250	80.00	\$180,000	\$180,000	\$0	
21" R.C.P.	LF	490	95.00	\$46,550	\$46,550	\$0	
24" R.C.P.	LF	2,053	100.00	\$205,274	\$205,274	\$0	
30" R.C.P.	LF	1,323	130.00	\$172,041	\$172,041	\$0	
36" R.C.P.	LF	1,135	150.00	\$170,228	\$170,228	\$0	
42" R.C.P.	LF	1,326	195.00	\$258,576	\$258,576	\$0	
48" R.C.P.	LF	443	220.00	\$97,456	\$97,456	\$0	
54" R.C.P.	LF	164	300.00	\$49,266	\$49,266	\$0	
5' x 5' RCB	LF	0	480.00	\$0	\$0	\$0	
10" INLET	EA	35	7,250.00	\$253,750	\$253,750	\$0	
15" INLET	EA	3	9,500.00	\$28,500	\$28,500	\$0	
JUNCTION BOX	EA	13	8,800.00	\$114,400	\$114,400	\$0	
REMOVE JUNCTION BOX AND CONNECT TO EX STORM LINE	EA	2	3,000.00	\$6,000	\$6,000	\$0	
TRENCH SAFETY	LF	9184	0.10	\$918	\$918	\$0	
<b>SUB - TOTAL STORM SEWER SYSTEM</b>				<b>\$1,582,958</b>	<b>\$1,582,958</b>	<b>\$0</b>	

NOTE: ASSUME REGIONAL DETENTION EXISTS IN THE ADJACENT COMMON AREA TO TRACT 3

G. RETAINING WALLS								
NUMBER	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
	2' RETAINING WALL	LF	1,400	50.00	\$70,000	\$0	\$70,000	
	4' RETAINING WALL	LF	1,500	75.00	\$112,500	\$0	\$112,500	
	6' RETAINING WALL	LF	2,000	120.00	\$240,000	\$0	\$240,000	
<b>SUB - TOTAL RETAINING WALLS</b>				<b>\$422,500</b>	<b>\$0</b>	<b>\$422,500</b>		

H. PAVING							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
7" REINF. CONCRETE STREET PAVEMENT	SY	36,468	80.00	\$2,917,451	\$2,917,451	\$0	Assume 20' (B-B)
9" REINF. CONCRETE STREET PAVEMENT	SY	2,942	90.00	\$264,751	\$264,751	\$0	Assume 37' (B-B)
6" COMPACTED LIME SUBGRADE	SY	43,351	3.50	\$151,728	\$151,728	\$0	
HYDRATED LIME MATERIAL (50 lb/sy)	TON	1,301	300.00	\$390,157	\$390,157	\$0	
5" CONCRETE SIDEWALK BY DEVELOPER	LF	741	38.00	\$28,142	\$28,142	\$0	
8" CONCRETE TRAIL BY DEVELOPER	LF	3,451	60.00	\$207,065	\$207,065	\$0	
BARRIER FREE RAMPS	EA	26	2,800.00	\$72,800	\$72,800	\$0	
STREET SIGNS W/ POSTS	EA	13	2,000.00	\$26,000	\$26,000	\$0	
STOP SIGNS	EA	14	2,000.00	\$28,000	\$28,000	\$0	
CBU MAILBOX UNIT	LOT	266	350.00	\$93,100	\$5,000	\$88,100	
DOWEL AND CONNECT TO EXISTING PAVEMENT	LF	85	25.00	\$2,125	\$2,125	\$0	
TRAFFIC CONTROL	MO	3	3,000.00	\$9,000	\$9,000	\$0	
<b>SUB - TOTAL PAVING</b>				<b>\$4,190,339</b>	<b>\$4,102,239</b>	<b>\$88,100</b>	

1. ASSUMES 50' ROW (27' B-B) FOR RESIDENTIAL ROADS AND 60' ROW (37' B-B) COLLECTOR ROADS PER CELINA ROADWAY STDS



PRELIMINARY OPINION OF PROBABLE COST-COST SHARING BREAKDOWN

				UPDATED	1/28/2025
				CREATED:	01/11/2024
PROJECT:	Green Meadows	ACREAGE:	67.23	# OF LOTS:	266
CITY:	Celina	PHASE:	5	TYP. LOT SIZE:	

I CAREY ROAD IMPROVEMENT							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
12" P.V.C. WATERLINE (DR 14 C900)	LF	0	96.00	\$0	\$0	\$0	Included in infrastructure set
12" GATE VALVE & BOX	EA	0	4,100.00	\$0	\$0	\$0	Included in infrastructure set
FIRE HYDRANT ASSEMBLY	EA	0	7,000.00	\$0	\$0	\$0	Included in infrastructure set
18" R.C.P.	LF	1,340	80.00	\$107,220	\$107,220	\$0	
24" R.C.P.	LF	56	100.00	\$5,552	\$5,552	\$0	
JUNCTION BOX	EA	3	8,800.00	\$26,400	\$26,400	\$0	
10' INLET	EA	4	7,250.00	\$29,000	\$29,000	\$0	
REMOVE INJECTION BOX AND CONNECT TO EX STORM LINE	EA	1	3,000.00	\$3,000	\$3,000	\$0	
8" REINF. CONCRETE STREET PAVEMENT	SY	5,789	90.00	\$521,043	\$521,043	\$0	Assume 3" (B-B)
6" COMPACTED LIME SUBGRADE	SY	6,368	3.50	\$22,289	\$22,289	\$0	
HYDRATED LIME MATERIAL (60 lb/sy)	TON	191	300.00	\$57,315	\$57,315	\$0	
EXCAVATION AND PLACEMENT OF FILL	CY	5,000	4.00	\$20,000	\$20,000	\$0	
PAVEMENT MOISTURE CONDITIONING	SY	7,006	7.00	\$49,036	\$49,036	\$0	Assumes 1" Depth
5' CONCRETE SIDEWALK BY DEVELOPER	LF	2,916	38.00	\$110,802	\$110,802	\$0	
BARRIER FREE RAMP	EA	2	2,800.00	\$5,600	\$5,600	\$0	
STREET SIGNS W/ POSTS	EA	2	2,000.00	\$4,000	\$4,000	\$0	
STOP SIGNS	EA	0	2,000.00	\$0	\$0	\$0	
STREET & LOT LIGHTING	EA	7	3,000.00	\$21,000	\$21,000	\$0	
TRENCH SAFETY	LF	1396	0.10	\$140	\$140	\$0	
TESTING (EXCLUDING GEOTECH)	LF	1396	3.00	\$4,187	\$4,187	\$0	
<b>SUB - TOTAL CAREY ROAD IMPROVEMENT (FULL COST)</b>				<b>\$986,583</b>	<b>\$986,583</b>	<b>\$0</b>	

NOTE: Carey Road full costs are shown. The road benefits both Tract 5 & 9. The costs should be allocated accordingly.  
NOTE: The allocated costs for future Tract 9 is not shown in this estimate

J McNABB DRIVE IMPROVEMENT							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
16" P.V.C. WATERLINE	LF	0	96.00	\$0	\$0	\$0	Included in infrastructure set
16" GATE VALVE & BOX	EA	0	4,100.00	\$0	\$0	\$0	Included in infrastructure set
FIRE HYDRANT ASSEMBLY	EA	0	7,000.00	\$0	\$0	\$0	Included in infrastructure set
CONNECT TO EX WATER	EA	0	2,210.00	\$0	\$0	\$0	Included in infrastructure set
18" R.C.P.	LF	242	80.00	\$19,372	\$19,372	\$0	
10' INLET	EA	3	7,250.00	\$21,750	\$21,750	\$0	
8" REINF. CONCRETE STREET PAVEMENT	SY	8,491	90.00	\$764,213	\$764,213	\$0	Assume 3" (B-B)
6" COMPACTED LIME SUBGRADE	SY	9,340	3.50	\$32,691	\$32,691	\$0	
HYDRATED LIME MATERIAL (60 lb/sy)	TON	280	300.00	\$84,063	\$84,063	\$0	
EXCAVATION AND PLACEMENT OF FILL	CY	7,000	4.00	\$28,000	\$28,000	\$0	
PAVEMENT MOISTURE CONDITIONING	SY	10,274	7.00	\$71,921	\$71,921	\$0	Assumes 1" Depth
DOWEL AND CONNECT TO EXISTING PAVEMENT	LF	60	25.00	\$1,500	\$1,500	\$0	
5' CONCRETE SIDEWALK BY DEVELOPER	LF	1,320	38.00	\$50,168	\$50,168	\$0	
8' CONCRETE TRAIL BY DEVELOPER	LF	1,340	60.00	\$80,377	\$80,377	\$0	
BARRIER FREE RAMP	EA	10	2,800.00	\$28,000	\$28,000	\$0	
STREET SIGNS W/ POSTS	EA	13	2,000.00	\$20,000	\$20,000	\$0	
STOP SIGNS	EA	2	2,000.00	\$4,000	\$4,000	\$0	
STREET & LOT LIGHTING	EA	7	3,000.00	\$21,000	\$21,000	\$0	
STAMPED CONCRETE	SY	381	30.00	\$11,435	\$11,435	\$0	
TRENCH SAFETY	LF	242	0.10	\$24	\$24	\$0	
TESTING (EXCLUDING GEOTECH)	LF	242	3.00	\$726	\$726	\$0	
<b>SUB - TOTAL McNABB DRIVE IMPROVEMENT (FULL COST)</b>				<b>\$1,239,240</b>	<b>\$1,239,240</b>	<b>\$0</b>	
<b>TRACT 5 COST RESPONSIBILITY (50%)</b>				<b>\$619,620</b>	<b>\$619,620</b>	<b>\$0</b>	

NOTE: McNabb Road costs are 50% of total cost. The total costs are allocated between Tract 5 & 3A/3B





PRELIMINARY OPINION OF PROBABLE COST-COST SHARING BREAKDOWN

				UPDATED	1/28/2025
				CREATED:	05/11/2024
PROJECT:	Green Meadows	ACREAGE:	67.23	# OF LOTS:	266
CITY:	Celina	PHASE:	5	TYP. LOT SIZE:	

K FRANCHISE UTILITIES							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
4" ELECTRIC CONDUIT	LF	1,400	15.00	\$21,000	\$0	\$21,000	
ELECTRIC DISTRIBUTION	LOT	266	1,200.00	\$319,200	\$0	\$319,200	Assumes Credit
GAS DISTRIBUTION	LOT	266	1,000.00	\$266,000	\$0	\$266,000	Assumes Credit
STREET & LOT LIGHTING	EA	24	3,000.00	\$72,000	\$0	\$72,000	
STREET LIGHT CONDUIT	EA	24	150.00	\$3,600	\$0	\$3,600	
SUB - TOTAL FRANCHISE UTILITIES				\$681,800	\$0	\$681,800	

L PERIMETER SCREENING & OPEN SPACE IMPROVEMENT							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
LANDSCAPING AND IRRIGATION	LS	1	800,000.00	\$800,000	\$0	\$800,000	PER JOHNSON VOLK
ENTRY IMPROVEMENTS	LS	1	70,000.00	\$70,000	\$0	\$70,000	PER JOHNSON VOLK
PERIMETER FENCING	LS	1	350,000.00	\$350,000	\$0	\$350,000	PER JOHNSON VOLK
SUB - TOTAL LANDSCAPE & IRRIGATION				\$1,220,000	\$0	\$1,220,000	

M DISTRICT FORMATION							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
DISTRICT FORMATION	LS	1	\$810,000.00	\$810,000	\$810,000	\$0	
SUB - TOTAL DISTRICT FORMATION				\$810,000	\$810,000	\$0	

N MISCELLANEOUS							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
UNEXPECTED COSTS (HARD COSTS)	PERCENT	10%	16,007,564.10	\$1,600,756	\$1,099,989	\$500,767	
SUB - TOTAL MISCELLANEOUS				\$1,600,756	\$1,099,989	\$500,767	

O FEES							
DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT	DIRECT PUBLIC COSTS AMOUNT	PRIVATE COSTS AMOUNT	NOTES
ROADWAY CAPITAL FEE	LOT	266	450.00	\$119,700	\$0	\$0	Due at Building Permit
PARK FEE	LOT	266	1,000.00	\$266,000	\$0	\$0	Due at Building Permit
WATER IMPACT FEE	LOT	266	4,500.00	\$1,197,000	\$0	\$0	Due at Building Permit
SANITARY IMPACT FEE	LOT	266	6,000.00	\$1,596,000	\$0	\$0	Due at Building Permit
SUB - TOTAL FEES				\$3,178,700	\$0	\$0	

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**APPENDIX C**

**FORM OF OPINION OF BOND COUNSEL**

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[CLOSING DATE]

Norton Rose Fulbright US LLP

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IN REGARD to the authorization and issuance of the “Denton County, Texas, Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project)” (the “Bonds”), dated March 31, 2025, in the principal amount of \$ \_\_\_\_\_, we have examined the legality and validity of the issuance thereof by Denton County, Texas (the “County”) solely to express legal opinions as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the County, or the history or prospects of the collection of the Pledged Revenues, the disclosure of any financial or statistical information or data pertaining to the County and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds, and have not assumed any responsibility with respect thereto. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Indenture.

THE BONDS are issued in fully registered form only and mature, unless redeemed prior to maturity in accordance with the terms stated on the Bonds, on December 31 in each of the years specified in the Bonds, all in accordance with the Indenture of Trust (the “Indenture”), dated as of March 1, 2025, between the County and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), approved by the Commissioners Court of the County pursuant to an order (the “Order”) adopted by the Commissioners Court of the County on March 11, 2025 authorizing the issuance of the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Indenture.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings had in connection with the issuance of the Bonds, including the Indenture, the Order and an examination of the initial Bond executed and delivered by the County (which we found to be in due form and properly executed); (ii) certifications of officers of the County relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the County and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATION, we are of the opinion that, under applicable law of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been authorized, issued and delivered in accordance with law; that the Bonds are valid, legally binding and enforceable limited obligations of the County in accordance with their terms payable solely from a first and prior lien on the Trust Estate, except

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to the extent the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally.

2. Assuming continuing compliance after the date hereof by the County with the provisions of the Indenture and in reliance upon representations and certifications of the County made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds for federal income tax purposes (i) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date hereof, of the owners thereof pursuant to Section 103 of such Code, existing regulations, published rulings, and court decisions thereunder, and (ii) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

We express no opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement Benefits, corporations subject to the alternative minimum tax on adjusted financial statement income, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Norton Rose Fulbright US LLP

**APPENDIX D-1**

**FORM OF COUNTY DISCLOSURE AGREEMENT**

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**DENTON COUNTY, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

**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 Denton County, Texas (the “Issuer”), Willdan Financial Services, acting in its capacity as Administrator (in such capacity, the “Administrator”), and Willdan Financial Services, acting in its capacity as dissemination agent (in such capacity, the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of 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 initial Administrator is Willdan Financial Services.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Collections Report” shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

“Annual Collections Report Filing Date” shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Annual Issuer Report Filing Date” shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer’s Fiscal Year, which Annual Issuer Report Filing Date is currently March 31.

“Annual Service Plan Update” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Builder Pod Developers” shall have the meaning given to it in the Limited Offering Memorandum.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Collections Reporting Date” shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

“Delinquency Date” shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Disclosure Agreement of Builder Pod Developer” shall mean, the “Continuing Disclosure Agreement of Builder Pod Developer” relating to the Bonds, dated as of March 1, 2025, executed and delivered by each of the Builder Pod Developers, the Administrator, and the Dissemination Agent.

“Disclosure Agreement of Master Developer” shall mean the Continuing Disclosure Agreement of Master Developer relating to the Bonds, dated as of March 1, 2025, executed and delivered by the Master Developer, the Administrator, and the Dissemination Agent.

“Disclosure Representative” shall mean the County Judge 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 Willdan Financial Services, 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 Green Meadows Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Final Assessment Payment Date” shall mean the calendar day preceding the Delinquency Date.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act

of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the twelve-month period from October 1 through September 30.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Limited Offering Memorandum” shall mean the Limited Offering Memorandum relating to the Bonds.

“Listed Events” shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

“Master Developer” shall mean Celina 6, LP, a Texas limited partnership.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

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

“Prepayment” shall have the meaning assigned to such term in the Indenture.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SAP Update” shall have the meaning assigned to such term in subsection 4(a)(iii) of this Disclosure Agreement.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Tax Year” means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2025, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Issuer Report Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement. The Annual Issuer Report may, but is not required to, include the audited financial statements and the failure to include the audited financial statements as a part of the Annual Issuer Report shall not violate the Issuer's obligations under this Disclosure Agreement provided the Issuer provides its audited financial statements within twelve (12) months of the most recently ended Fiscal Year or, if the audited financial statements are not available within such twelve-month period, the Issuer provides unaudited financial statements within such twelve-month period, and provides audited financial statements, when and if available. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Issuer Report Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Issuer Report Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent together with written direction to file such Annual Issuer Report with the MSRB. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer, but in no event later than the Annual Issuer Report Filing Date for such Fiscal Year.

If by the fifth (5<sup>th</sup>) day before the Annual Issuer Report Filing Date the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Annual Issuer Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Annual Issuer Report Filing Date, state the date by which the Annual Issuer Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Issuer Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Issuer Report Filing Date.

(b) The Issuer shall or shall cause the Dissemination Agent pursuant to written direction to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer verifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Issuer Report Filing Date, the following:

(a) Annual Financial Information. The following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date(s), the interest rate(s), the original aggregate principal amount(s), the principal amount(s) remaining Outstanding, and the total interest amount due on the aggregate principal amount Outstanding;

(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments;

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the reporting Fiscal Year;

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (together, a "SAP Update"); and

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) Audited Financial Statements. The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant, *but only if* available by the Annual Issuer Report Filing Date. If the audited financial statements of the Issuer are not available within twelve months after the end of the Fiscal Year, the Issuer shall provide notice that the audited financial statements are not available, file unaudited financial statements within such twelve-month period, and file audited financial statements when prepared and available.

(c) A form for submitting the information described in subsection 4(a) above is attached as Exhibit B hereto. Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

#### SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Issuer Report, if such Annual Collections Report is available when the Annual Issuer Report is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5<sup>th</sup>) day before the Annual Collections Report Filing Date the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report

Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1<sup>st</sup>) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the Issuer shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Master Developer or any of the Builder Pod Developers of real property within Improvement Area #1 in the ordinary course of the Master Developer's or the applicable Builder Pod Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than three (3) Business Days immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been



instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days’ written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any

amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Dissemination Agent (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the

Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Master Developer or any Disclosure Agreement of Builder Pod Developer and a default under the Disclosure Agreement of Master Developer or any Disclosure Agreement of Builder Pod Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Master Developer or any of the Builder Pod Developers or the failure of the Master Developer or any of the Builder Pod Developers to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Master Developer or the applicable Disclosure Agreement of Builder Pod Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Issuer Report in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Issuer Report or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties

hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Master Developer or any of the Builder Pod Developers to provide information to the Administrator as and when required under the Disclosure Agreement of Master Developer or the applicable Disclosure Agreement of Builder Pod Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and Administrator each respectively 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 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 Administrator, as applicable, 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 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 Administrator each respectively represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent,

Administrator and each of their respective parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

b. No Boycott of Israel. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

c. No Discrimination Against Firearm Entities. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

d. No Boycott of Energy Companies. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Submitted herewith is a completed Form 1295 in connection with the Dissemination Agent’s and the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Dissemination Agent and the Administrator, and the Issuer agrees to acknowledge such forms with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such forms. The Dissemination Agent, the Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in each Form 1295; that the information contained in each Form 1295 has been provided solely by the Dissemination Agent and the Administrator, respectively; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same

instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

*Signature pages follow.*

DENTON COUNTY, TEXAS

By: \_\_\_\_\_  
County Judge



Willdan Financial Services  
(as Dissemination Agent)

By: \_\_\_\_\_  
Authorized Officer

WILLDAN FINANCIAL SERVICES  
(as Administrator)

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE TO MSRB OF FAILURE TO FILE  
[ANNUAL ISSUER REPORT][ANNUAL COLLECTIONS REPORT]  
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]**

Name of Issuer: Denton County, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025  
(Green Meadows Public Improvement District  
Improvement Area #1 Project) (the “Bonds”)  
CUSIP Nos. [insert CUSIP NOs.]  
Date of Delivery: \_\_\_\_\_, 20\_\_

NOTICE IS HEREBY GIVEN that Denton County, Texas (the “Issuer”), has not provided [an Annual Issuer Report][an Annual Collections Report][audited/unaudited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of March 1, 2025, by and among the Issuer and Willdan Financial Services, in its capacity as “Administrator” and in its capacity as “Dissemination Agent.” The Issuer anticipates that [the Annual Issuer Report][the Annual Collections Report][audited/unaudited financial statements] will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_, 20\_\_

WILLDAN FINANCIAL SERVICES,  
on behalf of Denton County, Texas  
(as Dissemination Agent)

By: \_\_\_\_\_

Title: \_\_\_\_\_

cc: Denton County, Texas

**EXHIBIT B**

**DENTON COUNTY, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

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**ANNUAL FINANCIAL INFORMATION\***

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Delivery Date: \_\_\_\_\_, 20\_\_

CUSIP Nos: [insert CUSIP Nos.]

**DISSEMINATION AGENT**

Name: Willdan Financial Services  
Address: [\_\_\_\_\_]   
City: [ ]   
Telephone: ( ) \_\_\_-\_\_\_   
Contact Person: Attn: \_\_\_\_\_

**Section 4(a)(i)(A)**

**BONDS OUTSTANDING**

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				—
				—
<b>Total</b>				

**Section 4(a)(i)(B)**

**INVESTMENTS**

Fund/ Account Name	Investment Description	Par Value <sup>(1)</sup>	Book Value <sup>(1)</sup>	Market Value <sup>(1)</sup>

(1) As such information is provided by the Trustee.

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\*Excluding audited financial statements of the Issuer

**Section 4(a)(i)(C)**

**ASSETS AND LIABILITIES OF TRUST ESTATE**

Cash Position of Trust Estate for statements dated September 30, 20[ ]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
<b>Net Position of Trust Estate and Outstanding Bonds and Assessments</b>		A-B+C

September 30, 20[ ] Trust Statements: ~ Audited ~ Unaudited

Accounting Type: ~ Cash ~ Accrual ~ Modified Accrual

**Section 4(a)(ii)**

**FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR**

**Debt Service Requirements on the Bonds**

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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**Top [Five] Assessment Payers in Improvement Area #1 <sup>(1)</sup>**

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Assessments</u>
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<sup>(1)</sup> Does not include those owing less than one percent (1%) of total Assessments.

**Assessed Value of Improvement Area #1 of the District**

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #1 of the District is approximately \$[AMOUNT] according to the Denton County Central Appraisal District.

**Foreclosure History Related to the Assessments for the Past Five Fiscal Years**

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent Assessment Amount not in Foreclosure Proceedings</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Assessment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
20__	\$		\$		\$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

**Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years**

<u>Fiscal Year Ended (9/30)</u>	<u>Total Annual Installment Billed</u>	<u>Parcels Levied<sup>(1)</sup></u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent % as of 3/1</u>	<u>Delinquent Amount as of [9/1]</u>	<u>Delinquent % as of [9/1]</u>	<u>Total Assessments Collected<sup>(2)</sup></u>
20__	\$		\$	%	\$	%	\$
20__							
20__							
20__							
20__							

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

<sup>(2)</sup> [Does/does not] include interest and penalties.

**Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due**

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent % as of 9/1</u>	<u>Parcel Numbers</u>
20__	%	
20__		

**History of Prepayment of Assessments for the Past Five Fiscal Years**

<u>Fiscal Year Ended (9/30)</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u>	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u>
20__		\$		\$
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

**ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)**

[Insert a line item for each applicable listing]

**EXHIBIT C**

**DENTON COUNTY, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

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**ANNUAL COLLECTIONS REPORT**

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Delivery Date: \_\_\_\_\_, 20\_\_

CUSIP Nos: [insert CUSIP Nos.]

**DISSEMINATION AGENT**

Name: Willdan Financial Services  
Address: [\_\_\_\_\_] ]  
City: [\_\_\_\_\_, Texas \_\_\_\_\_]  
Telephone: (\_\_\_\_) \_\_\_\_ - \_\_\_\_  
Contact Person: Attn: \_\_\_\_\_

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**SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO  
THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH  
THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL  
YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN  
COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE  
AGREEMENT**

**Foreclosure History Related To The Annual Installments<sup>(1)</sup>**

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure <u>Proceedings</u>	Parcels in Foreclosure <u>Proceedings</u>	Delinquent Annual Installment Amount in Foreclosure <u>Proceedings</u>	<u>Foreclosure</u> <u>Sales</u>	Foreclosure Proceeds <u>Received</u>
20	\$		\$		\$

(i) Period covered includes October 1, 20\_\_ through March 1, 20\_\_.

**Collection and Delinquency of Annual Installments** <sup>(1)</sup>

<u>Succeeding Fiscal Year</u> 20__	<u>Total Annual Installments Levied</u> \$	<u>Parcels Levied</u> <sup>(2)</sup>	<u>Delinquent Amount as of 3/1</u> \$	<u>Delinquent % as of 3/1</u> %	<u>Total Annual Installments Collected</u> <sup>(3)</sup> \$
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<sup>(1)</sup> Period covered includes October 1, 20\_\_ through March 1, 20\_\_.

<sup>(2)</sup> Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

<sup>(3)</sup> [Does/does not] include interest and penalties.

**Prepayment of Assessments** <sup>(1)</sup>

<u>Succeeding Fiscal Year</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u> \$
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<sup>(1)</sup> Period covered includes October 1, 20\_\_ through March 1, 20\_\_.



## EXHIBIT D

### BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES<sup>1</sup>

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
March 1	29/30	<p>Immediately upon receipt, but in no event later than March 1, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.</p> <p>Issuer and/or Administrator should be aware of actual and specific delinquencies.</p> <p>Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year.</p> <p>Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.</p>
April 1	59/60	<p>At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full June and December payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the County Attorney or an appropriate designee, will begin process to cure deficiency.</p> <p>Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.</p>
<b>July 1</b>	<b>152/153</b>	<b>If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for</b>

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<sup>1</sup> Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

**transfer to the Principal and Interest Account of such amounts as shall be required for the full June and December payments, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Issuer Report.**

**Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.**

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

**Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures.**

**Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Issuer Report.**

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

**APPENDIX D-2**

**FORM OF MASTER DEVELOPER DISCLOSURE AGREEMENT**

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**DENTON COUNTY, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

**CONTINUING DISCLOSURE AGREEMENT OF MASTER DEVELOPER**

This Continuing Disclosure Agreement of Master Developer dated as of March 1, 2025 (this “Disclosure Agreement”), is executed and delivered by and among Celina 6, LP, a Texas limited partnership (the “Master Developer”), Willdan Financial Services, acting in its capacity as administrator (in such capacity, the “Administrator”), and Willdan Financial Services, acting in its capacity as dissemination agent (in such capacity, the “Dissemination Agent”), with respect to the captioned bonds (the “Bonds”). The Master 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 Master 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 Willdan Financial Services, 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 Master Developer.

“Amenities” means the Amenity Center Upgrade, as such term is defined in the Limited Offering Memorandum.

“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.

“Assessed Parcel” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Certification Letter” shall mean a certification letter provided by the Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

“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 Willdan Financial Services, acting 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 Green Meadows Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into a Lot Purchase Agreement with the Master Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

“Improvement Area #1” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Issuer” shall mean Denton County, Texas.

“Limited Offering Memorandum” shall mean the Limited Offering Memorandum with respect to the Bonds dated March 11, 2025.

“Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“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 Master Developer to purchase lots or to purchase land.

“Major Improvement Area Indenture” means that certain Indenture of Trust, dated as of March 1, 2025, by and between the Issuer and the Trustee and relating to the Denton County, Texas Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Major Improvement Area Project).

“Major Improvements” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Master Developer” shall mean Celina 6, LP, a Texas limited partnership, its successors and assigns, including any Affiliate of the Master Developer.

“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.

“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 September 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 Master Developer and any entity who has acknowledged and assumed reporting obligations in accordance with Section 5 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.

“Trustee” shall have the meaning assigned to such term in the Indenture.

### SECTION 3. Quarterly Reports.

(a) The Master Developer and any other entity that is a Reporting Party, 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 September 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 6 of this Disclosure Agreement.

(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. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereto.



SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Master Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1 on an Assessed Parcel owned by the Master Developer; provided, however, that the exercise of any right of the Master Developer as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Master 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 Major Improvements and the Amenities;

(iii) Material default by the Master Developer or any of the Master Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of Improvement Area #1 undertaken by the Master Developer or any of the Master Developer's Affiliates;

(iv) Material default by the Master Developer or any of Master Developer's Affiliates on any loan secured by property within Improvement Area #1 owned by the Master Developer or any of the Master Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Master Developer or any of the Master Developer's Affiliates or any determination that the Master Developer or any of the Master Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Master Developer, or the sale of all or substantially all of the assets of the Master Developer or any of the Master 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 Master Developer or any of the Master Developer's Affiliates that may adversely affect the completion of the Major Improvements, or litigation that may materially adversely affect the financial condition of the Master Developer or any of the Master Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Master Developer;

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 hereof; and

(x) Early termination of or material default by a Homebuilder under a Lot Purchase Agreement.

(b) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Master 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.

(c) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(d) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (b) or (c) 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 subsections (b) and (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Master Developer.

The Master Developer shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Major Improvements or the Amenities to assume and comply with the disclosure obligations of the Master Developer under this Disclosure Agreement. The Master 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 Major Improvements or the Amenities in substantially the form attached as Exhibit E (the “Master Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Master Developer shall direct the Dissemination Agent to file a copy of each Master Developer Acknowledgment with the MSRB, in accordance with Section 4(c) above. Upon any such transfer to a Person, and such Person’s delivery of written acknowledgement of assumption of Master Developer’s obligations under this Disclosure Agreement as to the property transferred, the Master 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 Master 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. Termination of Reporting Obligations.

(a) The reporting obligations of Reporting Party under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding and (ii) the filing date of the last Quarterly Report after the (A) the Major Improvements have been completed and accepted by the applicable governmental entity accepting such completed Major Improvements and (B) the Amenities have been completed.

(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 6, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party’s reporting obligations under this Disclosure Agreement (the “Termination Notice”). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties’ reporting obligations in accordance with subsection (a) of this Section 6 and any Termination Notice required by subsection (b) of this Section 6 has been provided

to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Master 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 Master 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 Willdan Financial Services.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Master Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Master Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of 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.

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 Master Developer. The Master 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 8 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 9. 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 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 Listed Event.

SECTION 10. Content of Disclosures. In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided on their behalf by a Reporting Party provided hereunder.

SECTION 11. Default. In the event of a failure of any Reporting Party or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction, the Dissemination Agent shall take such actions as may be necessary and appropriate to cause the applicable Reporting Party, and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party, or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by 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 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by any Reporting Party and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Master 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 Master Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Master 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 Master 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, THOR ANY REPORTING PARTY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR ANY FUTURE REPORTING PARTY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 11 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 13. 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 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. 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 16. 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 for Improvement Area #1. 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 17. 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 for Improvement Area #1. 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 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. Notice. Any written notice required to be given or made hereunder among or between any of the Reporting Parties, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party under this Disclosure Agreement.

If to Master Developer: Celina 6, LP  
Attn: Teague Griffin  
370 W. Broadway St.  
Prosper, TX 75078  
Email: teague@bgrea.com

With a copy to: Winstead  
Attn: Ross Martin  
2728 N. Harwood Street, Suite 500  
Dallas, TX 75201  
Email: rmartin@winstead.com

If to the or Trustee: U.S. Bank Trust Company, National Association  
Attn: Global Corporate Trust Services  
13737 Noel Road, Suite 800  
Dallas, Texas 75240  
Email: Brian.Jensen@usbank.com

If to Administrator or  
Dissemination Agent: Willdan Financial Services  
Attn: Mike Medve  
27368 Via Industria, Suite 200  
Temecula, California 92590  
Email: JLaumer@willdan.com

If to the Issuer: Denton County  
Attn: Jody Gonzalez  
1 Courthouse Dr., 3<sup>rd</sup> Floor  
Denton, Texas 76208  
Email: jody.gonzalez@dentoncounty.gov

If to Participating Underwriter: FMSbonds, Inc.  
5 Cowboys Way, Suite 300-25  
Frisco, Texas 75034  
E-mail: Tdavenport@fmsbonds.com

SECTION 20. 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 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. The Master Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

*Signature pages follow.*



WILLDAN FINANCIAL SERVICES,  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer

MASTER DEVELOPER:

CELINA 6, LP,  
a Texas limited partnership

By: GP-GM, LLC,  
a Texas limited liability company,  
its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

WILLDAN FINANCIAL SERVICES,  
as Administrator

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**DENTON COUNTY, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

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**MASTER DEVELOPER QUARTERLY REPORT**  
*[INSERT QUARTERLY ENDING DATE]*

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Delivery Date: \_\_\_\_\_, 20\_\_

CUSIP Numbers: [Insert CUSIP Numbers]

**DISSEMINATION AGENT**

Name: U.S. Bank Trust Company, National Association

Address:

City:

Telephone:

Contact Person: Attn:

**I. Expenditures Paid from Accounts under the Major Improvement Area Indenture**

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE MAJOR IMPROVEMENTS: \$ \_\_\_\_\_
2. Of the budgeted costs for the Major Improvements shown in the Service and Assessment Plan:
  - a. Actual costs drawn from the Major Improvements Account <sup>1</sup>: \$ \_\_\_\_\_
  - b. Actual costs drawn from the Master Developer Improvement Account<sup>2</sup>: N/A

**II. Status of Major Improvements**

Projected/actual completion date of the Major Improvements

1. [Actual/Expected] date of completion of the Major Improvements:  
[\_\_\_\_\_]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [\_\_\_\_\_]

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<sup>1</sup> Major Improvements Account means the account titled "Major Improvements Account" held under the Project Fund in the Major Improvement Area Indenture.

<sup>2</sup> Not applicable.

### **III. Amenities<sup>3</sup>**

TOTAL [EXPECTED/ACTUAL] COSTS OF AMENITIES: \$[\_\_\_\_\_]

Of the \$[\_\_\_\_\_] [expected/actual] total costs of the Amenities:

1. Amount spent on construction of Amenities as of Quarterly Ending Date: \$[\_\_\_\_\_]
2. [Actual/Expected] completion date of Amenities: [\_\_\_\_\_]

### **IV. Material Changes**

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for any land subject to the Assessments securing the Bonds and owned by the Master Developer or the Master Developer's Affiliates, 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 any Lot Purchase and Sale Agreement (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds and owned by the Master Developer or the Master Developer's Affiliates, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
4. **Ownership** - Since the issuance of the Bonds, other than a sale to a Homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds and owned by the Master Developer or the Master Developer's Affiliates by the Master Developer or the Master Developer's Affiliates to any third-party developer or land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer or land bank has executed a Master Developer Acknowledgement pursuant to the Disclosure Agreement?
5. **Reserved.**
6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data

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<sup>3</sup> "Amenities" means the Amenity Center Upgrade, as such term is defined in the Limited Offering Memorandum.

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: Denton County, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Green Meadows  
Public Improvement District Improvement Area #1 Project)  
(the “Bonds”)  
CUSIP Numbers: [insert CUSIP Numbers]  
Date of Delivery: \_\_\_\_\_, 20\_\_

NOTICE IS HEREBY GIVEN that \_\_\_\_\_, a  
\_\_\_\_\_ (the [“Master Developer<sup>4</sup>”]) 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  
Master Developer related to such Bonds, by and among Celina 6, LP, a Texas limited partnership  
(the “Master Developer”), Willdan Financial Services, as Administrator, and as Dissemination  
Agent. The [Master Developer] anticipates that the [Quarterly Information][Quarterly Report] will  
be [provided][filed] by \_\_\_\_\_.

Dated: \_\_\_\_\_

Willdan Financial Services,  
on behalf of the Master Developer,  
as Dissemination Agent

By: \_\_\_\_\_

Title: \_\_\_\_\_

cc: Denton County, Texas

\_\_\_\_\_  
<sup>4</sup> If applicable, replace with applicable successor(s)/assign(s).

**EXHIBIT C**

**TERMINATION NOTICE**

[DATE]

Name of Issuer: Denton County, Texas  
 Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project) (the "Bonds")  
 CUSIP Numbers: [insert CUSIP Numbers]  
 Date of Delivery: \_\_\_\_\_, 20\_\_

FMSbonds, Inc.  
 5 Cowboys Way, Suite 300-25  
 Frisco, Texas 75034

Willdan Financial Services  
 27368 Via Industria, Suite 200  
 Temecula, California 92590

Denton County, Texas  
 1 Courthouse Dr., 3<sup>rd</sup> Floor  
 Denton, Texas 76208

Celina 6, LP  
 370 W. Broadway St.  
 Prosper, TX 75078

NOTICE IS HEREBY GIVEN that \_\_\_\_\_, a \_\_\_\_\_ (the ["Master Developer"<sup>1</sup>"]) 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 Master Developer related to such Bonds, by and among Celina 6, LP, a Texas limited partnership (the "Master Developer"), Willdan Financial Services, as Administrator, and as Dissemination Agent.

Dated: \_\_\_\_\_

Willdan Financial Services  
 on behalf of the [Master Developer]  
 as Administrator)

By: \_\_\_\_\_

Title: \_\_\_\_\_

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<sup>1</sup> If applicable, replace with applicable successor(s)/assign(s).



**EXHIBIT D**

**CERTIFICATION LETTER**

[DATE]

Name of Issuer: Denton County, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project)

CUSIP Numbers: [insert CUSIP Numbers]  
Quarterly Ending Date: \_\_\_\_\_, 20\_\_

Re: Quarterly Report for Green Meadows Public Improvement District – Major Improvement Area

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Master Developer related to the captioned Bonds by and among Celina 6, LP, a Texas limited partnership<sup>1</sup> (the “Master Developer”), Willdan Financial Services, as Administrator and as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Master Developer], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Master Developer], constitutes the [portion of the] Quarterly Report required to be furnished by the [Master Developer]. Any and all Quarterly Information, provided by the [Master Developer], 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.

Celina 6, LP,  
a Texas limited partnership

By: GP-GM, LLC,  
a Texas limited liability company,  
its General Partner

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<sup>1</sup> If applicable, replace with applicable successor(s)/assign(s).

**EXHIBIT E**

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT  
OF MASTER DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

**Re: Green Meadows Public Improvement District – Major Improvement Area – Continuing Disclosure Obligation**

Dear \_\_\_\_\_,

Per [*Insert name of applicable agreement*], as of \_\_\_\_\_, 20\_\_, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Major Improvements or the Amenities (each as defined in the Disclosure Agreement of Master Developer (as defined herein) within Improvement Area #1 of the Green Meadows Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Master Developer (the “Disclosure Agreement of Master Developer”) by and among Celina 6, LP, a Texas limited partnership (the “Master Developer”), Willdan Financial Services in its capacity as administrator (in such capacity, the “Administrator”), and Willdan Financial Services in its capacity as dissemination agent (in such capacity, the “Dissemination Agent”), with respect to the “Denton County, Texas, Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project),” any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Major Improvements or the Amenities is defined as a Master Developer.

As a Master Developer, pursuant to Section 5 of the Disclosure Agreement of Master Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Master Developer for the property which is owned as detailed in the Disclosure Agreement of Master Developer, which is included herewith.

Sincerely,

CELINA 6, LP,  
a Texas limited partnership

By: GP-GM, LLC,  
a Texas limited liability company,  
its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Acknowledged by:  
[INSERT ASSIGNEE NAME]

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**APPENDIX D-3**

**FORM OF BUILDER POD DEVELOPER DISCLOSURE AGREEMENT**

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**DENTON COUNTY, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

**CONTINUING DISCLOSURE AGREEMENT OF BUILDER POD DEVELOPER**

This Continuing Disclosure Agreement of Builder Pod Developer dated as of March 1, 2025 (this “Disclosure Agreement”), is executed and delivered by and among [BUILDER POD DEVELOPER NAME], a Texas [CORPORATE ENTITY TYPE] (the “Developer”), Willdan Financial Services, acting in its capacity as administrator (in such capacity, the “Administrator”), and Willdan Financial Services, acting in its capacity as dissemination agent (in such capacity, the “Dissemination Agent”), with respect to the captioned bonds (the “Bonds”). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust, dated as of 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 Willdan Financial Services, as the initial Administrator.

“Affiliate” shall mean an entity that owns property within Improvement Area [G1A/G1B/K1/P1] and is controlled by, controls, or is under common control with the Developer, including any Homebuilder [and Land Bank].

[“Amenity Center #2” shall have the meaning assigned to such term in the Limited Offering Memorandum.]

[“Amenity Center #3” shall have the meaning assigned to such term in the Limited Offering Memorandum.]

“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.

“Assessed Parcel” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Certification Letter” shall mean a certification letter provided by the Developer or Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean [BUILDER POD DEVELOPER NAME], a Texas [CORPORATE ENTITY TYPE], its successors and assigns, including any Affiliate of the Developer.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Developer Projects” means the Improvement Area [G1A/G1B/K1/P1] Local Improvements and the Zone [G/K/P] Improvements.

“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 Willdan Financial Services, acting 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 Green Meadows Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Homebuilder(s)” shall mean (i) any merchant homebuilder or entity affiliated with or control by a merchant homebuilder who enters into a Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement and (ii) any merchant homebuilder affiliated with, or under common control with, the Developer to whom finished lots are transferred.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Improvement Area [G1A/G1B/K1/P1]” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Improvement Area [G1A/G1B/K1/P1] Local Improvements” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Issuer” shall mean Denton County, Texas.

[FOR APPLICABLE BUILDER POD DEVELOPER ONLY:] “Land Bank” shall mean any entity other than the Developer acting in the capacity as a land bank for land or lots to be owned by or developed by the Developer in Improvement Area [G1A/G1B/K1/P1].

“Limited Offering Memorandum” shall mean the Limited Offering Memorandum with respect to the Bonds dated March 11, 2025.

“Listed Events” shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

“Lot Purchase Agreement” shall mean any agreement between a Homebuilder [or Land Bank] and the Developer to purchase lots or land to be developed into lots located in Improvement Area [G1A/G1B/K1/P1].

“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.

“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 September 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 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 mean the “Green Meadows Public Improvement District Service and Assessment Plan” initially dated March 11, 2025, as amended, updated, and supplemented from time to time.

“Significant Homebuilder” shall mean a Homebuilder that then owns [10% OF PLANNED LOTS] finished residential lots or paper lots constituting [10% OF PLANNED LOTS] or more within Improvement Area [G1A/G1B/K1/P1].

“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.

“Zone [G/K/P] Improvements” shall have the meaning assigned to such term in the Service and Assessment Plan.

### SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with September 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 Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until a Significant Homebuilder Acknowledgement (as defined herein) with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and 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. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereto.

#### SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area [G1A/G1B/K1/P1] on an Assessed Parcel owned by the Developer [or the Land Bank]; provided, however, that the exercise of any right of the Developer [or the Land Bank] as a landowner within Improvement Area [G1A/G1B/K1/P1] to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area [G1A/G1B/K1/P1], including the Developer Projects, and [Amenity Center #2][Amentiy Center #3];

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan[, including any loan or financing provided by the Land Bank] with respect to the acquisition, development, or permanent financing of Developer Projects undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within Improvement Area [G1A/G1B/K1/P1] owned by the Developer or any of the Developer's Affiliates [or the Land Bank];

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of \$1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of development of the Developer Projects, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area [G1A/G1B/K1/P1] on a lot or Assessed Parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area [G1A/G1B/K1/P1] to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement

to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if a Reporting Party is providing Quarterly Information on behalf of any other Reporting Party. Additionally, if a Significant Homebuilder does not execute the assignment and assumption of disclosure obligations pursuant to Section 6 hereof, and, therefore, the Developer is reporting on behalf of the Significant Homebuilder, the Developer shall not be required to conduct an independent investigation of the occurrence of a Significant Homebuilder Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written

instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

#### SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person who, through assignment or the purchase of paper lots or land in Improvement Area [G1A/G1B/K1/P1], assumes the obligations, requirements, or covenants to construct one or more of the Developer Projects or [Amenity Center #2][Amentiy Center #3] to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement with respect to such acquired land. The Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Developer Projects or [Amenity Center #2][Amentiy Center #3] in substantially the form attached as Exhibit E (the “Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person’s delivery of written acknowledgement of assumption of Developer’s obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement.

#### SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in Improvement Area [G1A/G1B/K1/P1] resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer’s disclosure obligations under Section 3 and Section 4(b) hereof, with respect to such acquired real property, until such party’s disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such

Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F, acknowledging and assuming the 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 Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) above. Upon any such transfer to a Significant Homebuilder and such Significant Homebuilder's delivery of the Significant Homebuilder Acknowledgment, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until the 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 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 [and the Land Bank], including their respective Affiliates and/or successors and assigns, no longer own[s] [10% OF PLANNED LOTS] single family residential lots or land containing [10% OF PLANNED LOTS] paper lots within Improvement Area [G1A/G1B/K1/P1], 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 Assessed Parcel owned by the Reporting Party Improvement Area [G1A/G1B/K1/P1], including their respective Affiliates and/or successors and assigns, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own [10% OF PLANNED LOTS] or more single family residential lots or land containing [10% OF PLANNED LOTS] paper lots within Improvement Area [G1A/G1B/K1/P1], 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 Assessed Parcel owned by the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this

Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the 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 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 Willdan Financial Services.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of 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.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent 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 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 Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided 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 request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction, the Dissemination Agent shall take such actions as may be necessary and appropriate to cause the applicable Reporting Party, and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of a Reporting Party, or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by 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) 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 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 Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence, or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY



COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of 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 for Improvement Area #1. 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 for Improvement Area #1. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area

#1, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Reporting Parties, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer: [DEVELOPER]  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Email: \_\_\_\_\_

If to the or Trustee: U.S. Bank Trust Company, National Association  
Attn: Global Corporate Trust Services  
13737 Noel Road, Suite 800  
Dallas, Texas 75240  
Email: Brian.Jensen@usbank.com

If to Administrator or Dissemination Agent: Willdan Financial Services  
Attn: Mike Medve  
27368 Via Industria, Suite 200  
Temecula, California 92590  
Email: MMedve@willdan.com

If to the Issuer: Denton County  
Attn: Jody Gonzalez  
1 Courthouse Dr., 3<sup>rd</sup> Floor  
Denton, Texas 76208  
Email: jody.gonzalez@dentoncounty.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 Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

*Signature pages follow.*

WILLDAN FINANCIAL SERVICES,  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer

DEVELOPER:

[BUILDER POD DEVELOPER NAME],  
a Texas [CORPORATE ENTITY TYPE]

By: [CORPORATE MEMBER],  
a Texas \_\_\_\_\_,  
its \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

WILLDAN FINANCIAL SERVICES,  
as Administrator

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**DENTON COUNTY, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #1 PROJECT)**

---

**DEVELOPER QUARTERLY REPORT**  
*[INSERT QUARTERLY ENDING DATE]*

---

Delivery Date: \_\_\_\_\_, 20\_\_

CUSIP Numbers: [Insert CUSIP Numbers]

**DISSEMINATION AGENT**

Name: Willdan Financial Services

Address:

City:

Telephone:

Contact Person: Attn:

**I. Expenditures Paid from Accounts under the Indenture**

1. TOTAL BUDGETED COSTS REQUIRED TO COMPLETE IMPROVEMENT AREA [G1A/G1B/K1/P1] LOCAL IMPROVEMENTS AND ZONE [G/K/P] IMPROVEMENTS: \$ \_\_\_\_\_
2. Of the budgeted costs for the Improvement Area [G1A/G1B/K1/P1] Local Improvements and Zone [G/K/P] Improvements shown in the Service and Assessment Plan:
  - a. Actual costs drawn from the Improvement Area Improvement Account<sup>1</sup>:  
\$ \_\_\_\_\_
  - b. Actual costs drawn from the Major Improvement Account<sup>2</sup>
  - c. Actual costs drawn from the Developer Improvement Account<sup>3</sup>

**II. Status of Developer Projects**

Projected/actual completion dates of the Improvement Area [G1A/G1B/K1/P1] Local Improvements and Zone [G/K/P] Improvements:

---

<sup>1</sup> Improvement Area Improvement Account means the account titled Improvement Area [G1A/G1B/K1/P1] Local Projects Account held under the Project Fund in the Indenture.

<sup>2</sup> Not Applicable.

<sup>3</sup> Not applicable.

1. [Actual/Expected] date of completion of the Improvement Area [G1A/G1B/K1/P1]  
Local Improvements: [\_\_\_\_\_]
2. [Actual/Expected] date of completion of the Zone [G/K/P] Improvements:  
[\_\_\_\_\_]
3. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [\_\_\_\_\_]

**III. Unit Mix in Improvement Area [G1A/G1B/K1/P1]**

<b><u>Improvement Area [G1A/G1B/K1/P1]</u></b>	
<b><u>Product Type</u></b>	<b><u>Number of Units</u></b>
Single Family _____	
Single Family _____	
Single Family _____	

**IV. Lot Status Improvement Area [G1A/G1B/K1/P1]**

Of the [PLANNED LOTS] lots in Improvement Area [G1A/G1B/K1/P1], what is the status:

1. Planned lots as of the date of issuance of the Bonds: [PLANNED LOTS]
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 [G1A/G1B/K1/P1] (if incomplete): \_\_\_\_\_

**V. Ownership of Lots/Units in Improvement Area [G1A/G1B/K1/P1]**

PLANNED LOTS IN IMPROVEMENT AREA [G1A/G1B/K1/P1]: [PLANNED LOTS]

Of the [PLANNED LOTS] lots in Improvement Area [G1A/G1B/K1/P1]:

1. Number of lots owned by the Developer: \_\_\_\_\_
2. [Number of lots owned by the Land Bank: \_\_\_\_\_]
3. Number of lots under contract but not closed to Homebuilder(s): \_\_\_\_\_
4. Number of lots owned by all Homebuilder(s): \_\_\_\_\_<sup>4</sup>
  - a. a. Number of lots owned by [*insert name of Homebuilder*]: \_\_\_\_\_<sup>5</sup>
  - b. b. Number of lots owned by [*insert name of Homebuilder*]: \_\_\_\_\_
5. Number of units owned by homeowners: \_\_\_\_\_

**VI. Home Sales Information in Improvement Area [G1A/G1B/K1/P1]**

<sup>4</sup> If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

<sup>5</sup> Include a line item for each individual Homebuilder.



PLANNED HOMES IN IMPROVEMENT AREA [G1A/G1B/K1/P1]: [PLANNED LOTS]

Of the [PLANNED LOTS] homes planned for Improvement Area [G1A/G1B/K1/P1]:

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*]: \_\_\_\_\_<sup>2</sup>
  - b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>2</sup>
2. How many total homes have closed with homebuyers **during the current quarter**? \_\_\_\_\_
  - a. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>2</sup>
  - b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>6</sup>
3. How many total homes have closed with homebuyers **cumulatively**? \_\_\_\_\_
  - a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>3</sup>
  - b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: \_\_\_\_\_<sup>3</sup>

#### **VII. Amenities**<sup>7</sup>

TOTAL [EXPECTED/ACTUAL] COSTS OF AMENITIES: \$[\_\_\_\_\_]

Of the \$[\_\_\_\_\_] [expected/actual] costs of the Amenities:

1. Amount spent on construction of Amenities as of Quarterly Ending Date: \$[\_\_\_\_\_]
2. [Actual/Expected] completion date of Amenities: [\_\_\_\_\_]

#### **VIII. Material Changes**

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

---

<sup>6</sup> Include a line item for each individual Homebuilder.

<sup>7</sup> "Amenities" shall mean [Amenity Center #2][Amenity Center #3].

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to new builder contracts, changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?
5. **Reserved.**
6. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.
7. **Other** – Provide any other material information that should be disclosed.

**EXHIBIT B**

**NOTICE TO MSRB OF FAILURE TO  
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: Denton County, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Green Meadows  
Public Improvement District Improvement Area #1 Project)  
(the “Bonds”)  
CUSIP Numbers: [insert CUSIP Numbers]  
Date of Delivery: \_\_\_\_\_, 20\_\_

NOTICE IS HEREBY GIVEN that \_\_\_\_\_, a  
\_\_\_\_\_ (the [“Developer<sup>8</sup>”] [“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 Builder Pod Developer related to such Bonds, by and among [BUILDER POD  
DEVELOPER NAME], a Texas [CORPORATE ENTITY TYPE] (the “Developer”), Willdan  
Financial Services, as Administrator, and as Dissemination Agent. The [Developer][Homebuilder]  
anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by  
\_\_\_\_\_.

Dated: \_\_\_\_\_

Willdan Financial Services,  
on behalf of the Developer,  
as Dissemination Agent

By: \_\_\_\_\_

Title: \_\_\_\_\_

cc: Denton County, Texas

<sup>8</sup> If applicable, replace with applicable successor(s)/assign(s).

**EXHIBIT C**

**TERMINATION NOTICE**

[DATE]

Name of Issuer: Denton County, Texas  
 Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project) (the "Bonds")  
 CUSIP Numbers: [insert CUSIP Numbers]  
 Date of Delivery: \_\_\_\_\_, 20\_\_

FMSbonds, Inc.  
 5 Cowboys Way, Suite 300-25  
 Frisco, Texas 75034

Willdan Financial Services  
 27368 Via Industria, Suite 200  
 Temecula, California 92590

Denton County, Texas  
 1 Courthouse Dr., 3<sup>rd</sup> Floor  
 Denton, Texas 76208

[BUILDER POD DEVELOPER NAME]  
 \_\_\_\_\_  
 \_\_\_\_\_

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that \_\_\_\_\_, a \_\_\_\_\_ (the ["Developer"<sup>1</sup>] ["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 Builder Pod Developer related to such Bonds, by and among [BUILDER POD DEVELOPER NAME], a Texas [CORPORATE ENTITY TYPE] (the "Developer"), Willdan Financial Services, as Administrator, and as Dissemination Agent.

Dated: \_\_\_\_\_

Willdan Financial Services  
 on behalf of the [Developer] [Significant Homebuilder],  
 as Administrator)

By: \_\_\_\_\_

Title: \_\_\_\_\_

---

<sup>1</sup> If applicable, replace with applicable successor(s)/assign(s).

**EXHIBIT D**

**CERTIFICATION LETTER**

[DATE]

Name of Issuer: Denton County, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project)

CUSIP Numbers: [insert CUSIP Numbers]  
Quarterly Ending Date: \_\_\_\_\_, 20\_\_

Re: Quarterly Report for Green Meadows Public Improvement District – Improvement Area #1

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Builder Pod Developer related to the captioned Bonds by and among [BUILDER POD DEVELOPER NAME], a Texas [CORPORATE ENTITY TYPE]<sup>1</sup> (the “Developer”), Willdan Financial Services, as Administrator and as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][\_\_\_\_\_, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [Insert Quarterly Ending Date], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

[BUILDER POD DEVELOPER NAME],  
a Texas [CORPORATE ENTITY TYPE]

By: [CORPORATE MEMBER],  
a Texas \_\_\_\_\_,  
its \_\_\_\_\_

[OR  
Significant Homebuilder  
(as Significant Homebuilder)]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

<sup>1</sup> If applicable, replace with applicable successor(s)/assign(s).

**EXHIBIT E**

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT  
OF DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

**Re: Green Meadows Public Improvement District – Improvement Area #1 – Continuing Disclosure Obligation**

Dear \_\_\_\_\_,

As of \_\_\_\_\_, 20\_\_, you have purchased paper lots in Improvement Area [G1A/G1B/K1/P1] or been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Developer Projects or [Amenity Center #2][Amentiy Center #3] (each as defined in the Disclosure Agreement of Builder Pod Developer (as defined herein) within Improvement Area [G1A/G1B/K1/P1] the Green Meadows Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Builder Pod Developer (the “Disclosure Agreement of Builder Pod Developer”) by and among [BUILDER POD DEVELOPER NAME], a Texas [CORPORATE ENTITY TYPE] (the “Developer”), Willdan Financial Services in its capacity as administrator (in such capacity, the “Administrator”), and Willdan Financial Services in its capacity as dissemination agent (in such capacity, the “Dissemination Agent”), with respect to the “Denton County, Texas, Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project),” any person that purchases paper lots in Improvement Area [G1A/G1B/K1/P1], or through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Developer Projects or [Amenity Center #2][Amentiy Center #3] is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Builder Pod Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Builder Pod Developer for the property which is owned as detailed in the Disclosure Agreement of Builder Pod Developer, which is included herewith.

Sincerely,

[BUILDER POD DEVELOPER NAME],  
a Texas [CORPORATE ENTITY TYPE]

By: [CORPORATE MEMBER],  
a Texas \_\_\_\_\_,  
its \_\_\_\_\_

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: Green Meadows Public Improvement District – Improvement Area #1 – Continuing Disclosure Obligation**

Dear \_\_\_\_\_,

As of \_\_\_\_\_, 20\_\_, you own [\_\_\_\_ lots][land constituting \_\_\_\_ paper lots] within Improvement Area [G1A/G1B/K1/P1] located in the Green Meadows Public Improvement District (the “District”). Pursuant to Section 2 of the Continuing Disclosure Agreement of Builder Pod Developer related to the captioned Bonds (the “Disclosure Agreement of Builder Pod Developer”) by and among [BUILDER POD DEVELOPER NAME], a Texas [CORPORATE ENTITY TYPE] (the “Developer”), Willdan Financial Services in its capacity as administrator (in such capacity, the “Administrator”), and Willdan Financial Services in its capacity as dissemination agent (in such capacity, the “Dissemination Agent”), with respect to the “Denton County, Texas, Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project),” any entity that owns 10% OF PLANNED LOTS or more of the single family residential lots within Improvement Area [G1A/G1B/K1/P1] or paper lots constituting [10% OF PLANNED LOTS] or more within Improvement Area [G1A/G1B/K1/P1] of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Builder Pod Developer, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(b) of the Disclosure Agreement of Builder Pod Developer for the property which is owned as detailed in the Disclosure Agreement of Builder Pod Developer, which is included herewith.

Sincerely,

[BUILDER POD DEVELOPER NAME],  
a Texas [CORPORATE ENTITY TYPE]

By: [CORPORATE MEMBER],  
a Texas \_\_\_\_\_,  
its \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Acknowledged by:  
[INSERT ASSIGNEE NAME]

By: \_\_\_\_\_  
Title: \_\_\_\_\_

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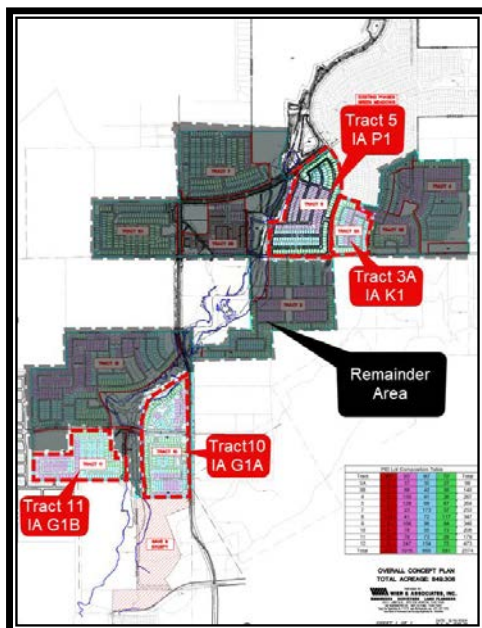


**APPENDIX E**  
**APPRAISAL**

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# APPRAISAL REPORT

PROJECT # A24-0711-02



**GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT CONTAINING  
206 RESIDENTIAL LOTS IN IMPROVEMENT AREA #1 (IA G1A),  
179 RESIDENTIAL LOTS IN IMPROVEMENT AREA #1 (IA G1B),  
264 RESIDENTIAL LOTS IN IMPROVEMENT AREA #1 (IA P1),  
99 RESIDENTIAL LOTS IN IMPROVEMENT AREA #1 (IA K1), AND  
1,826 RESIDENTIAL PAPER LOTS IN THE REMAINDER AREA  
CELINA, DENTON COUNTY, TX 75009**

**FOR:**

**FMSBONDS, INC.**

**5 COWBOYS WAY, SUITE 300-25  
75009, FRISCO, TEXAS 75034**

**EFFECTIVE DATE OF APPRAISAL:**

**DATE OF SUBSTANTIAL COMPLETION FOR 748 RESIDENTIAL LOTS,  
AND FOR 1,826 RESIDENTIAL PAPER LOTS**

**PREPARED BY:**

**JAMES L. MAIBACH, CPM, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER,  
LESLIE TOLLIVER, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER,  
BROOKE CLOCK, LICENSED RESIDENTIAL REAL ESTATE APPRAISER, AND  
BRANDON LAWSON, APPRAISER TRAINEE**

**OF:**

**PEYCO SOUTHWEST REALTY, INC.  
1703 NORTH PEYCO DRIVE  
ARLINGTON, TEXAS 76001**

February 12, 2025

**Mr. R.R “Tripp” Davenport, III**

Director

FMSbonds, Inc.

5 Cowboys Way, Suite 300-25

Frisco, Texas 75034

tdavenport@fmsbonds.com

SUBJECT: Prospective Market Value “Upon Completion” Appraisal  
Green Meadows Public Improvement District (referred to as Green Meadows PID) IA #1 containing 748 lots within four Improvement Areas (IA) called IA G1A, IA G1B, IA P1, IA K1, and Remainder Area (RA) containing approximately 1,826 residential paper lots of various sizes, near Celina in Denton County, Texas.

Mr. Davenport,

At your request, we have inspected and appraised the above-referenced property. The purpose of the appraisal is to develop an opinion of prospective market value of the Fee Simple interest of the 748 residential lots located in IA #1 of the Green Meadows PID, and the prospective market value of 1,826 residential paper lots within the Remainder Area (referred to as RA). Substantial completion dates for IA #1 are February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1. Substantial completion for the Remainder Area is February 1, 2026.

- **Prospective Market Value “Upon Completion” for 748 detached residential improved lots on approximately 206.271 acres divided into 4 different improvement areas. The improved lots are as follows:**
  - **IA G1A: 78 lots with 50-foot frontages, (FF), 55 lots with 60-FF, and 73 lots with 70-FF**
  - **IA G1B: 78 lots with 50-FF, 73 lots with 60-FF, and 28 lots with 70-FF**
  - **IA P1: 128 lots with 50-FF, 69 lots with 60-FF, and 67 lots with 70-FF**
  - **IA K1: 37 lots with 50-FF, 35 lots with 60-FF, and 27 lots with 70-FF**
- **Prospective Market Value “Upon Completion” for 1,826 detached residential paper lots of various sizes on approximately 643.029 acres within the Remainder Area (RA). The improved lots are as follows for the RA:**
  - **117 lots with 40-FF,**
  - **695 lots with 50-FF,**
  - **628 lots with 60-FF, and**
  - **386 lots with 70-FF**

The client for the assignment is FMSbonds, Inc.. The intended use is underwriting of a proposed Public Improvement District bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by Denton County, nor is it the basis of a determination of the benefit of any constructed or installed public improvements will have on properties within the Green Meadows PID.

At Substantial Completion, which is forecast for February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1; and February 1, 2026 for the RA, the subject property is expected to consist of the infrastructure necessary to provide residential streets, drainage, and utilities to the individual lots within the Green Meadows PID. The subject property will abide by the Green Meadows PID standards which are set forth in a Development

*Green Meadows Public Improvement District*

Agreement – effective August 11, 2008 among the City of Celina, Texas, Smiley Road Water Control & Improvement District No. 1, Smiley Road Water Control & Improvement District No. 2, Smiley Road Ltd., Green Meadows Communities, Inc., URVI Properties, LLC, and BHUVI Enterprises, LLC and as assigned to the various owner and developer entities (the “Development Agreement”).

Per OPP Green Meadows, LP and its various related entities and the various pod builder developers within the Green Meadows PID, the residential paper lots in the Remainder Area within the Green Meadows PID, is comprised of a total of approximately 643.029 acres of land with a final estimated build-out of 117 detached single-family residential 40-foot frontage (FF) lots, 695 detached single-family residential 50-FF lots, 628 detached single-family residential 60-FF lots, and 386 detached single-family residential 70-FF lots located in the extraterritorial jurisdiction of the City of Celina area of Denton County, Texas.

Within IA #1, each of the 50-FF lot types will have an average of 6,000-square feet (SF), each of the 60-FF lot types will have an average of 7,200-SF, and each of the 70-FF lot types will have an average of 8,400-SF.

The minimum lot depths for each of the 50-FF, 60-FF, 70-FF lots of the subject property will be 120’ in depth. The three lot types may have different market values with identical characteristics. We have considered any difference in market value based on lot depth is negligible, and other attributes, such as overall situs of the PID, are more important to the market value consideration of a single lot.

Within IA #1, the subject property contains approximately 206.271 acres and is projected to contain improved lots as follows:

<b>Green Meadows PID - Lot Sizes and Count</b>						
<i>Lot Type</i>	<i>IA G1A</i>	<i>IA G1B</i>	<i>IA P1</i>	<i>IA K1</i>	<i>RA</i>	<i>Total</i>
40-FF	0	0	0	0	117	117
50-FF	78	78	128	37	695	1016
60-FF	55	73	69	35	628	860
70-FF	73	28	67	27	386	581
<b>Total Lots per IA</b>	<b>206</b>	<b>179</b>	<b>264</b>	<b>99</b>		
<b>Remainder Area Paper Lots</b>					<b>1826</b>	
<b>Total Lots at Green Meadows PID</b>						<b>2574</b>

The focus of our appraisal of the Green Meadows PID for IA #1 which contains IA G1A, IA G1B, IA P1, IA K1, and the RA Residential Paper Lots are as follows:

Green Meadows PID - Lot Sizes and Count						
Area Type	Size (Acres)	40' Lot Type	50' Lot Type	60' Lot Type	70' Lot Type	Total Lots Appraised
IA G1A	66.513	0	78	55	73	206
IA G1B	51.744	0	78	73	28	179
IA P1	63.398	0	128	69	67	264
IA K1	24.616	0	37	35	27	99
Remainder Area Paper Lots	643.029	117	695	628	386	1,826
<b>Total Lots at Green Meadows PID</b>						<b>2574</b>

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **extraordinary assumptions** that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary assumptions are used in this assignment because the improved residential lots to be delivered by the dates utilized in this report are currently incomplete as of the report date.

- Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications provided by the engineering plans published by Wier & Associates for 748 improved residential lots in IA #1 and 1,826 residential paper lots in the Remainder Area of Green Meadows PID.
- All information relative to the property located within Green Meadows PID including land areas, lot totals, lot sizes, and other pertinent data that was provided by OPP-Green Meadows LP and its various related entities, the various pod builder developers within the Green Meadows PID, Wier & Associates (Professional Engineers and Surveyor), Denton County, and the Denton Central Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with an expected completion date of February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1; and February 1, 2026 for the RA; therefore, this report contains a prospective opinion of value. Considering this, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable global events that alter market conditions prior to the prospective Effective Date.

The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

- No Hypothetical Conditions are used in this report.

*Green Meadows Public Improvement District*

This appraisal report is intended to conform with the 2024-2025 Uniform Standards of Professional Appraisal Practice (USPAP) and applicable state appraisal regulations. To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our final value conclusion as of the Expected Completion Date are as follows:

<b>FINAL MARKET VALUE CONCLUSION GREEN MEADOWS PID</b>			
<i>Income Approach Conclusion</i>	<i>Cost</i>	<i>Sales</i>	<i>Income (Subdivision)</i>
<i>Fee Simple Interest, Complete Feb. 1, 2026</i>			<i>\$30,660,000</i>
<i>IA G1A</i>	<i>N/A</i>	<i>N/A</i>	<i>(\$148,900/Lot)</i>
<i>206 Improved Lots</i>			<i>Rounded</i>
<i>Fee Simple Interest, Complete Feb 1, 2026</i>			<i>\$25,690,000</i>
<i>IA G1B</i>	<i>N/A</i>	<i>N/A</i>	<i>(\$143,600/Lot)</i>
<i>179 Improved Lots</i>			<i>Rounded</i>
<i>Fee Simple Interest, Complete July 1, 2026</i>			<i>\$37,860,000</i>
<i>IA P1</i>	<i>N/A</i>	<i>N/A</i>	<i>(\$143,400/Lot)</i>
<i>264 Improved Lots</i>			<i>Rounded</i>
<i>Fee Simple Interest, Complete July 1, 2026</i>			<i>\$15,110,000</i>
<i>IA K1</i>	<i>N/A</i>	<i>N/A</i>	<i>(\$152,600/Lot)</i>
<i>99 Improved Lots</i>			<i>Rounded</i>
<i>Fee Simple Interest, Complete Dec. 1, 2025</i>	<i>\$207,735,000</i>		
<i>Remainder Area</i>	<i>(\$114,000/Lot)</i>	<i>N/A</i>	<i>N/A</i>
<i>1,826 Residential Paper Lots on 643.029 Acres</i>	<i>Rounded</i>		

Attached is our Appraisal Report which summarizes the investigation and analyses undertaken in arriving at our value conclusions. Should you have any questions, please contact our office.

Respectfully submitted,

Peyco Southwest Realty



James L. Maibach, C.P.M.  
TX-1323658  
State Certified General Real Estate Appraiser



Leslie Tolliver  
TX-1381494  
State Certified General Appraiser  
Practicing Affiliate, Appraisal Institute



Brooke Clock  
TX-1350743  
State Licensed Residential Appraiser



Brandon Lawson  
TX-1343865  
Appraiser Trainee  
Practicing Affiliate, Appraisal Institute

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**EXECUTIVE SUMMARY**

<b>Property Name</b>	<b>Green Meadows PID; IA#1 and Major Improvement Area</b>
Property Type	Master-Planned Community
Location	south side of West Farm to Market 428, east side of Farm to Market 1385, west side of South Legacy Drive, and north side of Parvin Road
City, County, State, Zip	Celina, Denton County, TX 76259
Legal Descriptions (Denton CAD)	Multiple Legal Descriptions
Owner of Record	OPP-Green Meadows LP
Census Tract	0201.29
Tax ID's – Denton Central Appraisal District	Multiple Tax ID's for IA#1 Multiple Tax ID's for the Paper Lots in the Major Improvement Area
Tract 5 Land Area	65.205-AC
Total Land Area in PID	849.308-AC - Total Land Area
Total Lots	206 Lots in IA G1A 179 Lots in IA G1B 264 Lots in IA P1 99 Lots in IA K1 1,826 Residential Paper Lots in the Remainder Area
Topography	Gently Sloping
FEMA Flood Zones	Unshaded Zone X (outside the floodplain) and Zone A (within the 100-year floodplain)
FEMA Panel	48121C0290G
FEMA Map Date	4/18/2011
Utilities	
Water	Mustang SUD
Sewer	Mustang SUD
Electric	Oncor
Natural Gas	Atmos
Zoning	Development Agreement
Future Land Use	Single-Family Residential Subdivision
Highest & Best Use	Single-Family Residential Subdivision
Final Value Conclusion	<b>\$30,660,000 (\$148,900/Lot) Effective Date of February 1, 2026, for 206 Improved Residential Lots in IA G1A</b> <b>\$25,690,000 (\$143,600/Lot) Effective Date of February 1, 2026, for 179 Improved Residential Lots in IA G1B</b> <b>\$37,860,000 (\$143,400/Lot) Effective Date of July 1, 2026, for 264 Improved Residential Lots in IA P1</b> <b>\$15,014,000 (\$151,600/Lot) Effective Date of July 1, 2026, for 99 Improved Residential Lots in IA K1</b> <b>\$200,185,000 (\$110,000/Lot) Effective Date of February 1, 2026, for 1,826 Residential Paper Lots on ~643.029 Acres in Remainder Area</b>
Exposure Period	6-12 Months
Marketing Period	6-12 Months
Date of Inspection	August 6, 2024
Dates of Valuation	February 1, 2026 for IA G1A & G1B, July 1, 2026 for IA P1 and IA K1 February 1, 2026 for Residential Paper Lots in Remainder Area
Report Date	February 12, 2025

CERTIFICATION

We certify that, to the best of our knowledge and belief that:

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- (3) We have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.
- (4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (5) Our compensation for completing this assignment is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
- (6) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- (7) Brooke Clock inspected the subject property. James L. Maibach, Leslie Tolliver, and Brandon Lawson have not physically viewed the subject property. The values herein were developed and reported by James L. Maibach, Leslie Tolliver, Brooke Clock, and Brandon Lawson.
- (8) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.
- (9) None of the signatories have previously performed services as an appraiser or in any other capacity, other than that specifically stated, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.
- (10) James L. Maibach and Brooke Clock are not members of the Appraisal Institute. Leslie Tolliver and Brandon Lawson are a Practicing Affiliate of the Appraisal Institute and have completed the Standards and Ethics Education Requirement. The use of this report is subject to the requirements of the Appraisal Institute related to review by their duly authorized representatives.



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James L. Maibach, C.P.M.  
TX-1323658  
State Certified General Real Estate Appraiser



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Leslie Tolliver  
TX-1381494  
State Certified General Appraiser  
Practicing Affiliate, Appraisal Institute



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Brooke Clock  
TX-1350743  
State Licensed Residential Appraiser



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Brandon Lawson  
TX-1343865  
Appraiser Trainee  
Practicing Affiliate, Appraisal Institute

## SCOPE OF WORK

Scope of Work is defined by the Uniform Standards of Professional Appraisal Practice as “the type and extent of research and analyses in an assignment.” Under the Scope of Work Rule, the appraiser must:

- Identify the problem to be solved;
- Determine and perform the scope of work necessary to develop credible assignment results; and
- Disclose the scope of work in the report.

### The problems to be solved are:

- Determine the Prospective Market Value “Upon Completion” as of **February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1 for 748 detached residential improved lots within IA #1 on approximately 206.271 acres. The improved lots are as follows:**
  - **IA G1A: 78 lots with 50-foot frontages, (FF), 55 lots with 60-FF, and 73 lots with 70-FF**
  - **IA G1B: 78 lots with 50-FF, 73 lots with 60-FF, and 28 lots with 70-FF**
  - **IA P1: 128 lots with 50-FF, 69 lots with 60-FF, and 67 lots with 70-FF**
  - **IA K1: 37 lots with 50-FF, 35 lots with 60-FF, and 27 lots with 70-FF**
- Determine the Prospective Market Value “Upon Completion” as of **February 1, 2026 for 1,826 detached residential paper lots of various sizes on approximately 643.029 acres within the RA. The improved lots are as follows for the RA:**
  - **117 lots with 40-FF,**
  - **695 lots with 50-FF,**
  - **628 lots with 60-FF, and**
  - **386 lots with 70-FF**

*\*Note: A paper lot consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.*

The definition of market value<sup>1</sup> utilized herein is as follows:

**Market Value** is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite for a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

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<sup>1</sup> The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, Washington, D.C.: Appraisal Standards Board (2020-2021), DEFINITIONS

## *Green Meadows Public Improvement District*

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.<sup>2</sup>

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice, in a manner necessary to produce a credible result.

This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The value set forth herein was determined after consideration and appropriate application and analysis by three approaches to value i.e., the Cost Approach, the Income (Subdivision Development) Approach, and the Sales Comparison Approach.

As part of this appraisal, we completed a thorough investigation and analysis of the data considered pertinent to valuing the subject property.

### **Property Identification**

The property has been identified using the following sources:

- Public records – Denton Central Appraisal District (DCAD)
- Legal descriptions
- Deed Records –Denton County
- Green Meadows PID Concept Plan and Site Plan Exhibit by Wier & Associates, Professional Engineers

### **Type and Extent of Data Researched**

The following information was reviewed in preparing this report:

- Public record data
- Flood plain maps
- Topographic maps
- Demographics – CoStar, ESRI, and US Census Bureau
- Market Conditions Data – S&P Case Schiller, CoreLogic, NTREIS, JLL, CBRE, Integra, CoStar, etc.
- Information provided by the client
- Concept Plan and Site Plan from Wier & Associates, Professional Engineers
- Estimated development costs provided by Wier & Associates, the Professional Engineers
- Executed Contracts between the seller, South GM, LP, and Grand Acquisition, the Buyer
- Executed Contract between the seller, North Celina, LP, and Tri Pointe Homes DFW, the Buyer
- Executed Contract between the seller, GM-Celina, and PH Land Holdings, LLC, the Buyer
- Executed Contract between the seller, Celina 6, LP, and Brightland Homes, LTD, the Buyer
- Executed Contract between Wilbow Finance Green Meadows and K. Hov.
- Conversations with developers and homebuilders in DFW market
- Project Summary
- PSAP – Preliminary Service and Assessment Plan – Willdan Financial Services

### **Valuation Methodology**

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. A summary of each portion of the subject property that requires valuation is shown below:

- 206.271-Acres with 748 Improved Single-Family Residential Lots in IA #1
- 643.029-Acres with 1,826 Residential Paper Lots for future single-family residential use in the Remainder Area.

### **Improved Detached Single-Family Residential Lots in IA #1 (748 Improved Residential Lots)**

#### ***Cost Approach***

The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Cost figures are obtained from the developer and engineer and compared to cost figures on competing developments. A developer's profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project. The subject property is being developed in multiple phases and there are no major improvements in place, *the Cost Approach is not the most appropriate and thus was not utilized* for the 748 Improved Residential Lots in IA #1.

#### ***Income (Subdivision Development) Approach***

In the Income Capitalization Approach, the retail value of the residential lots is estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. Since sales of individual lots to an end-user homeowner is exceedingly rare in tract home subdivisions in this market, the value of an individual retail lot is effectively the same value of a portion of lots to a homebuilder because homebuilders tend to be the exclusive buyers of vacant developed lots from land developers. In addition, discussions with developers and homebuilders as well as review of comparable contracts indicate that lots are typically received by the builders on a takedown schedule with annual price escalations of approximately 6%, so typically the lots are not released in bulk to the home builders. As such, the subject property tracts are released in pods (which are considered bulk sales of each tract). However, we developed the Income Subdivision Development Approach utilizing the typical takedown to builders with a 6% annual escalation. The indicated value by the Income (Subdivision) Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since one of the problems to be solved in this assignment is to determine the bulk sale value of 748 improved residential lots, as of the date of Substantial Completion (Effective Date), *the Income (Subdivision Development) Approach is appropriate and was developed.*

**Sales Comparison Approach**

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed by the appraisers.* Use of the approaches for the valuation of the improved lots in IA #1 of the Green Meadows PID is summarized as follows:

<b>Approach</b>	<b>Applicability to Subject</b>	<b>Use in Assignment</b>
<b>Cost Approach</b>	<i>Not Appropriate in IA#1 of the Subject Property Since the Subject Property will be Developed in Multiple Phases</i>	<i>Not Utilized</i>
<b>Income (Subdivision Development) Approach</b>	<i>Appropriate in Determining Residential Subdivision Value</i>	<i>Utilized</i>
<b>Sales Comparison Approach</b>	<i>Aspects Used in Subdivision Valuation to Determine Retail Market Value of the 50-FF, 60-FF, and the 70-FF Lots</i>	<i>Partially Utilized</i>

**Remainder Area - 1,826 Residential Paper Lots\* on 643.029 Acres**

*\*Note: A paper lot consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.*

**Cost Approach**

The Cost Approach is the most appropriate method of valuing paper residential lots. We concluded the paper lot value by conducting the following steps:

1. Estimate the value of the underlying land (Sales Comparison Approach used here)
2. Gather hard and soft costs associated to develop the raw ground to paper lot status which includes engineering, zoning costs, and any infrastructure to the site
3. Apply appropriate entrepreneurial incentive that a developer would expect to undertake the project
4. Subtract any depreciation from the project
5. Add in the value of the underlying land

**Income Approach**

Since paper lots are not yet improved to a state where they are available for sale to builders or other end users, the Income Approach is not applicable for the Remainder Area and was not developed.

**Sales Comparison Approach**

Sales of paper lots are relatively infrequent in the market. Our due diligence could not uncover sufficient reliable sales to develop the Sales Comparison Approach for the paper lots, so we did not develop this approach for the residential paper lots in the Remainder Area. Aspects of the Sales Comparison Approach were utilized to determine the market value of the vacant land prior to any development.

*Green Meadows Public Improvement District*

Use of the approaches for the valuation of the 1,826 residential paper lots on 643.029 acres in the Remainder Area of the Green Meadows PID is summarized as follows:

<i>Approach</i>	<i>Applicability to Subject</i>	<i>Use in Assignment</i>
<b>Cost Approach</b>	<i>Appropriate Since the Paper Lots will be Improved from an Undeveloped State</i>	<i>Utilized</i>
<b>Income (Subdivision Development) Approach</b>	<i>Not Appropriate Since the Land is Not Utilized to Generate Income and Land is Not Yet Developed</i>	<i>Not Utilized</i>
<b>Sales Comparison Approach</b>	<i>Aspects Used in Cost Approach to Determine the Value of the Land Prior to Development</i>	<i>Partially Utilized</i>

**COMPETENCY OF THE APPRAISER**

James L. Maibach, C.P.M. is a State Certified General Real Estate Appraiser according to the Texas Appraiser Licensing and Certification Board and has appraised numerous properties similar to the subject since 1993. The appraiser also manages, through his commercial real estate management company, approximately 2.25 million SF of which 70% is industrial warehouse, 20% is Class B and C office and 10% in retail product in Tarrant, Dallas, and Johnson counties. Mr. Maibach has been personally involved in over 135 residential development projects as a broker, developer, bank director, and zoning consultant in the past 35 years. Leslie Tolliver is a State Certified General Real Estate Appraiser who has assisted in the analysis and appraisal of numerous properties similar to the subject. Brooke Clock is a Licensed Residential Appraiser and Brandon Lawson is an Appraiser Trainee and assisted in numerous properties similar to the subject property. Attention is paid to the qualifications of each individual, which are presented in the Addenda of this report.

Peyco Southwest Realty is a full-service professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele. In the past 12 months, our firm has completed numerous valuation assignments involving similar properties. Mr. Maibach currently owns, represents, and manages multiple properties throughout the DFW Metroplex, mostly in Tarrant, Dallas, Johnson, and Ellis Counties. The subject is located in the Celina area of Denton County, Texas.

**INTENDED USE AND USERS**

The intended use of the appraisal is to estimate the prospective market value upon completion of the underwriting of a proposed Public Improvement District bond transaction. The client and intended user is FMSbonds, Inc. The appraisal is not intended for any other use or user. No party or parties other than FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in this report; provided, however, it is acknowledged that this Appraisal will be used in a preliminary and final limited offering memorandum for the Public Improvement District bonds. The Client may, without Appraiser’s prior authorization or notice to Appraiser, provide the Appraisal to other parties for their use in analysis-related activities, however, it does not make the recipient an intended user of this engagement.

**DATE OF THE APPRAISAL REPORT**

The preparation of this Appraisal Report was completed on **February 12, 2025**. The initial draft of this appraisal report was completed on **October 24, 2024**.

**EFFECTIVE DATE OF THE APPRAISAL**

The descriptions, analyses, and conclusions of this report for the designated Market Values of the subject property are applicable as of **February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1; and February 1, 2026**, which is the expected date of Substantial Completion. Brooke Clock inspected the subject

## Green Meadows Public Improvement District

property on **August 6, 2024**. James L. Maibach, Leslie Tolliver, and Brandon Lawson have not inspected the subject property.

### ASSIGNMENT CONDITIONS

Assignment conditions include assumptions that affect the scope of work, other than those previously discussed in the “Assumptions and Limiting Conditions”. There are no other material and specific Hypothetical Conditions or extraordinary assumptions other than those referenced in this report.

### PROPERTY RIGHTS APPRAISED

The property rights appraised in this assignment are the Fee Simple Estate in the subject property. A commitment for Title Insurance was not submitted to the appraisers and reservations, if any, are unknown. If property rights differ from the above definitions, the value may be affected.

### ASSETS APPRAISED

The assets appraised in this appraisal assignment include land, any primary and ancillary site improvements. No furniture, fixtures, equipment (FF&E), personal property, mineral rights or business value were included in the valuation process.

### ENVIRONMENTAL CONDITIONS

No environmental report was available to us, and no recent environmental tests were performed. Because we have no evidence to the contrary, we have assumed that the property is free of any material defects, other than those noted, which would adversely affect the value, including, but not limited to, asbestos and toxic waste. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain environmental studies which may be required to ascertain the status of the property regarding asbestos and other hazardous materials.

### HISTORY OF SUBJECT

The subject property, which consists of 22 parcels, transferred to OPP-Green Meadows LP on July 18, 2023, from Smiley Road LTD Etal with document #2023-76068. Texas is a non-disclosure state and per the request of the developer, the purchase price is not disclosed. This transaction appears to be arms-length and no other data regarding the deed history was available.

Legal Description	Grantee	Transfer Date	Deed	Grantor
A1112A J.B. RUE, TR 2, 57.66 ACRES, OLD DCAD TR #2	OPP-GREEN MEADOWS LP	7/18/2023	2023-76068	SMILEY ROAD LTD ETAL
A0791A J. MORTON, TR 13, 6.756 ACRES, OLD DCAD TR #6	OPP-GREEN MEADOWS LP	7/18/2023	2023-76068	SMILEY ROAD LTD ETAL
A0309A T. COX, TR 5, 70.2 ACRES	OPP-GREEN MEADOWS LP	7/18/2023	2023-76068	SMILEY ROAD LTD ETAL
A0309A T. COX, TR 6, 107.0 ACRES, OLD DCAD TR #5	OPP-GREEN MEADOWS LP	7/18/2023	2023-76068	SMILEY ROAD LTD ETAL
A0309A T. COX, TR 4, 100.03 ACRES, OLD DCAD TR #6	OPP-GREEN MEADOWS LP	7/18/2023	2023-76068	SMILEY ROAD LTD ETAL
A0791A J. MORTON, TR 9, 11.85 ACRES, OLD DCAD TR #3	OPP-GREEN MEADOWS LP	7/18/2023	2023-76068	SMILEY ROAD LTD ETAL
A0791A J. MORTON, TR 8, 19.15 ACRES	OPP-GREEN MEADOWS LP	7/18/2023	2023-76086	SMILEY ROAD LTD ETAL
A0791A J. MORTON, TR 2 & 3A, 81.874 ACRES	OPP-GREEN MEADOWS LP	7/18/2023	2023-76086	SMILEY ROAD LTD ETAL
A0211A COWAN, TR 47, 30.88 ACRES, OLD DCAD SHT 2, TR #18	OPP-GREEN MEADOWS LP	7/18/2023	2023-76068	SMILEY ROAD LTD ETAL
A0211A COWAN, TR 46, 30.88 ACRES, OLD DCAD SHT 2, TR #17	OPP-GREEN MEADOWS LP	7/18/2023	2023-76068	SMILEY ROAD LTD ETAL
A0211A COWAN, TR 40, 83.1324 ACRES, OLD DCAD SHT 2, TR #11	OPP-GREEN MEADOWS LP	7/18/2023	2023-76068	SMILEY ROAD LTD ETAL
A0211A COWAN, TR 39B, 39C, 39D, 39E, 39F, 5 ACRES	OPP-GREEN MEADOWS LP	1/26/2024	2023-76068	SMILEY ROAD LTD ETAL
A0211A COWAN, TR 39, 5 ACRES	OPP-GREEN MEADOWS LP	7/18/2023	2023-76086	SMILEY ROAD LTD ETAL
A0211A COWAN, TR 39A(2), 133.5223 ACRES	OPP-GREEN MEADOWS LP	7/18/2023	2023-76068	SMILEY ROAD LTD ETAL
A0211A COWAN, TR 38, 85.17 ACRES	OPP-GREEN MEADOWS LP	7/18/2023	2023-76068	SMILEY ROAD LTD ETAL
A1299A T & PRR, TR 5, 62.35 ACRES	OPP-GREEN MEADOWS LP	7/18/2023	2023-76086	SMILEY ROAD LTD ETAL
A0211A COWAN, TR 37, 35.439 ACRES, SN#1 PH3510LA0877	OPP-GREEN MEADOWS LP	7/18/2023	2023-76086	SMILEY ROAD LTD ETAL
A0211A COWAN, TR 32, 58.6453 ACRES	OPP-GREEN MEADOWS LP	7/18/2023	2023-76086	SMILEY ROAD LTD ETAL
A0211A, COWAN, TR 41, 17.251	OPP-GREEN MEADOWS LP	7/18/2023	2023-76086	SMILEY ROAD LTD ETAL
A0211A COWAN, TR 32A, 57.9360	OPP-GREEN MEADOWS LP	7/13/2023	2023-76086	SMILEY ROAD LTD ETAL
A1113A B.L. RUE, TR 1 & 2 (OUT CITY), 13.205 ACRES, OLD DCAD TR #2	OPP-GREEN MEADOWS LP	7/18/2023	2023-76068	SMILEY ROAD LTD ETAL
A0791A J. MORTON, TR 8B, 1.0 ACRES	OPP-GREEN MEADOWS LP	7/18/2023	2023-76086	SMILEY ROAD LTD ETAL



*Green Meadows Public Improvement District*

The following transfers have occurred since July 18, 2023.

- OPP-Green Meadows LP to Brightland Homes, LTD (Tract 6)
- OPP-Green Meadows LP to Grand Homes (GSW Land & Grand Oaks Residential) (Tracts 10, 11, and 12). Closed on 1/24/2025
- OPP-Green Meadows LP to PH Land Holdings, LLC (Tracts 3,4, and 5) closed.
  - Transfer from PH Land Holdings, LLC to Khov to Wilbow Finance Green Meadows (Tract 4) closed.
- OPP-Green Meadows LP to Perry (Tract 9) closed.
- OPP-Green Meadows LP to Tri-Pointe for tracts 7 & 8, currently owned by North Celina, LP, anticipated closing April 30, 2025.

Below are the current land-owning entities and the acreage owned:

Landowning Entity	Total	PID	Non-PID	Tract(s)
Grand Oaks Residential Development, LLC	118.257	118.257	0.000	10, 11
GSW Land Investors IV, LP	139.440	139.440	0.000	12
North Celina, LP	208.589	208.561	0.028	7, 8, 23
Wilbow Finance Green Meadows, LLC	66.490	66.490	0.000	3
PH Land Holdings, LLC	128.484	128.484	0.000	4, 5
Green Meadows Land Venture, LLC	91.120	91.120	0.000	9
Brightland Homes, LTD	152.402	3.470	148.932	6
Celina 6, LP	2.132	0.484	1.648	6
GM-Celina, LP	27.352	25.703	1.649	5, 9
OPP-Green Meadows, LP	137.186	62.299	74.887	4, 18, 10, 11, 12, MF, Com
Director Lots	5.000	5.000	0.000	
<b>Total(s)</b>	<b>1076.452</b>	<b>849.308</b>	<b>227.144</b>	

We are unaware of any other attempts to sell the subject property, as of the report date, except for the contracts for the paper lots between the developer and various builder landbank entities.

**LEGAL DESCRIPTIONS**

The subject property includes 22 tracts of land with multiple legal addresses. All legal descriptions can be found in the addenda of this report, as well as in the prior chart.

**PENDING/CLOSED TRANSACTIONS TO BUILDERS**

The subject property has five executed sales contracts.

- A contract dated May 28, 2024 between Celina 6 LP (seller) and Brightland Homes LTD. (buyer), to purchase a total of 147.404 Acres within the Green Meadows PID has closed.
- A contract dated January 24, 2024 between Celina 6 LP (seller) and Brightland Homes LTD. (buyer), to purchase a total of 154.5 Acres within the Green Meadows PID.
- A contract dated March 5, 2024 between South GM, LP (seller) and Grand Acquisition, Inc. (buyer) to purchase a total of 309.006 Acres within the Green Meadows PID.
- A contract dated January 29,2024 between GM-Celina, LP (seller) and PH Land Holdings, LLC (buyer) to purchase a total of 128.485 Acres within the Green Meadows PID has closed.
- A contract dated January 25,2024 between North Celina, LP (seller) and Tri Pointe Homes DFW, LLC (buyer) to purchase a total of 208.589 Acres within the Green Meadows PID.

*Green Meadows Public Improvement District*

The following chart reflects the ownership of the acreage in Green Meadows PID:

Landowning Entity	Total	PID	Non-PID	Tract(s)
Grand Oaks Residential Development, LLC	118.257	118.257	0.000	10, 11
GSW Land Investors IV, LP	139.440	139.440	0.000	12
North Celina, LP	208.589	208.561	0.028	7, 8, 23
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Director Lots	5.000	5.000	0.000	
<b>Total(s)</b>	<b>1076.452</b>	<b>849.308</b>	<b>227.144</b>	

The chart below shows the breakdown of the subject’s lots. The Substantial Completion Date for IA #1 is February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1; and February 1, 2026, for the Remainder Area:

Green Meadows PID - Lot Sizes and Count					
<i>Lot Type</i>	<i>IA G1A</i>	<i>IA G1B</i>	<i>IA P1</i>	<i>IA K1</i>	<i>RA</i>
40-FF	0	0	0	0	117
50-FF	78	78	128	37	695
60-FF	55	73	69	35	628
70-FF	73	28	67	27	386
<b>Total Lots per IA</b>	<b>206</b>	<b>179</b>	<b>264</b>	<b>99</b>	
<b>Remainder Area Paper Lots</b>					<b>1826</b>

*\*Note the focus of our appraisal report is to value the 748 improved lots in IA #1 and the 1,826 residential paper lots on 643.029-acres in the Remainder Area of the Green Meadows PID.*

According to the Purchase and Sales Agreements we were provided by the Developer, IA #1 has four separate areas that have been or will be sold as pods, therefore, there is no projected takedown for the 748 improved residential lots within IA #1 of the Green Meadows PID.

**Real Estate Taxes**

*Denton Central Appraisal District*

Real estate tax assessments are administered by the Denton Central Appraisal District (DCAD) and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the estimate by the composite rate.

Real estate taxes and assessments for the most recent tax year along with projected tax stack provided by the Green Meadows Community, Inc., the Developer, are shown in the following table which include taxes due in 2024 to Denton County, Celina ISD or Prosper ISD, MI PID Levy, and Tax Rate Equivalent (TRE)/PID Levy. The current combined tax rate for those entities within Celina ISD is **2.900000 per \$100 assessed**, and **2.917100 per \$100 assessed** for Prosper ISD, as shown in the tables below:

<b>Projected Property Taxes - 2025</b>	
<b>Entity</b>	<b>Rate</b>
Denton County	0.189485
Celina ISD	1.238100
MI PID Levy	0.400000
IA #1 PID Levy	1.072415
<b>Total</b>	<b>2.900000</b>

<b>Projected Property Taxes - 2025</b>	
<b>Entity</b>	<b>Rate</b>
Denton County	0.189485
Prosper ISD	1.255200
MI PID Levy	0.400000
IA #1 PID Levy	1.072415
<b>Total</b>	<b>2.917100</b>

*\*Note: MI PID levy represents the maximum levy per contracts to homebuilders. IA #1 PID levy represents the estimated average IA #1 levy.*

The Green Meadows PID is within 17 contiguous tracts of land consisting of 22 tax parcels. The prior (2024) tax burden for the subject property – which is mainly undeveloped land– is **\$9,845** and is reduced due to agricultural exemptions. A table of the assessed values and property taxes of the prior year (2024) of the subject property is shown below:

Green Meadows Public Improvement District

TAXES (DENTON CAD - 2024)						
ID	Owner Name	ACRES	Land Market Value	Ag Exemption	Assessed Value	Estimated Taxes
52735	OPP-GREEN MEADOWS LP	57.66	\$ 6,485,425.00	\$ 6,476,420.00	\$ 9,005.00	\$ 130.30
52749	OPP-GREEN MEADOWS LP	6.756	\$ 1,154,358.00	\$ 1,152,993.00	\$ 1,365.00	\$ 19.50
52791	OPP-GREEN MEADOWS LP	70.2	\$ 7,620,593.00	\$ 7,610,802.00	\$ 9,791.00	\$ 141.67
52795	OPP-GREEN MEADOWS LP	107	\$ 10,951,252.00	\$ 10,929,638.00	\$ 21,614.00	\$ 312.75
52807	OPP-GREEN MEADOWS LP	100.03	\$ 10,304,981.00	\$ 10,288,224.00	\$ 16,757.00	\$ 242.47
52765	OPP-GREEN MEADOWS LP	11.85	\$ 1,890,274.00	\$ 1,889,028.00	\$ 1,246.00	\$ 18.03
52734	OPP-GREEN MEADOWS LP	19.15	\$ 2,127,957.00	\$ 2,124,460.00	\$ 3,497.00	\$ 50.60
287299	OPP-GREEN MEADOWS LP	81.874	\$ 8,710,385.00	\$ 8,693,846.00	\$ 16,539.00	\$ 239.32
52913	OPP-GREEN MEADOWS LP	30.88	\$ 343,686.00	\$ 343,616.00	\$ 70.00	\$ 1.00
52918	OPP-GREEN MEADOWS LP	30.88	\$ 744,847.00	\$ 744,688.00	\$ 159.00	\$ 2.27
52894	OPP-GREEN MEADOWS LP	83.1324	\$ 558,369.00	\$ 558,252.00	\$ 117.00	\$ 1.67
635969	OPP-GREEN MEADOWS LP	5	\$ 584,762.00	\$ 584,146.00	\$ 616.00	\$ 8.79
52953	OPP-GREEN MEADOWS LP	5	\$ 556,024.00	\$ 554,908.00	\$ 1,116.00	\$ 15.93
1025227	OPP-GREEN MEADOWS LP	133.5223	\$ 711,902.00	\$ 711,097.00	\$ 805.00	\$ 11.49
52893	OPP-GREEN MEADOWS LP	85.17	\$ 1,808,268.00	\$ 1,805,999.00	\$ 2,269.00	\$ 32.39
52585	OPP-GREEN MEADOWS LP	62.35	\$ 6,920,893.00	\$ 6,908,298.00	\$ 12,595.00	\$ 182.25
52887	OPP-GREEN MEADOWS LP	35.439	\$ 4,479,870.00	\$ 4,346,353.00	\$ 133,517.00	\$ 1,906.07
1038315	OPP-GREEN MEADOWS LP	58.6453	\$ 6,694,887.00	\$ 6,682,788.00	\$ 12,099.00	\$ 172.72
52890	OPP-GREEN MEADOWS LP	17.251	\$ 5,188,170.00	\$ 5,185,163.00	\$ 3,007.00	\$ 73.00
1038230	OPP-GREEN MEADOWS LP	57.936	\$ 5,677,609.00	\$ 5,667,683.00	\$ 9,926.00	\$ 141.70
52787	OPP-GREEN MEADOWS LP	13.205	\$ 434,681.00	\$ -	\$ 434,681.00	\$ 6,289.77
178533	OPP-GREEN MEADOWS LP	1	\$ 144,837.00	\$ 144,753.00	\$ 84.00	\$ 1.22
<b>Total Combined:</b>		<b>1073.931</b>	<b>\$84,094,030</b>	<b>\$83,403,155</b>	<b>\$690,875</b>	<b>\$9,845</b>

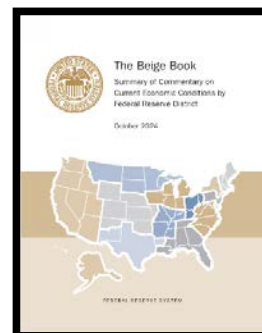
The land area market values represented by Denton Central Appraisal District are not necessarily accurate. The land market value that Denton CAD has determined is \$84,094,030, which is \$78,305/AC or \$1.80/SF which would lead to a tax burden of \$2,359,666 if fully taxed. The subject property is likely appraised for Denton CAD at below true market value for ±1073.931 acres of developable land. When the property is redeveloped into residential use, there may be rollback taxes due to the municipal entities. We have not considered the effect of rollback taxes herein and that is beyond the scope of work of this report.

When Substantial Construction is complete on the improved lots, the appraised value is expected to increase significantly; however, based on our company’s experience as licensed property tax consultants working with tax districts and homebuilders, we believe the finished lots will be assessed by the appraisal district at below retail lot value. Finished lots are often assessed by tax districts at approximately 70% of the retail value because the tax district does not have reliable information on updated costs and because developers are eligible for an inventory reduction on their lots.

## **MARKET OVERVIEW** **ECONOMIC INDICATORS: BEIGE BOOK**

### ***FEDERAL RESERVE BANK (October 23, 2024)***

Due to the subject's location in North Texas, coupled with integrated business economies, it is relevant to consider the national and regional economic indicators presented by the Federal Reserve Bank of Dallas in the Beige Book. Excerpts from the most recent Beige Book are presented below:



### ***Overall Economic Activity***

*On balance, economic activity was little changed in nearly all Districts since early September, though two Districts reported modest growth. Most Districts reported declining manufacturing activity. Activity in the banking sector was generally steady to go up slightly, and loan demand was mixed, with some Districts noting an improvement in the outlook due to the decline in interest rates. Reports on consumer spending were mixed, with some Districts noting shifts in the composition of purchases, mostly toward less expensive alternatives. Housing market activity has generally held up: inventory continued to expand in much of the nation, and home values largely held steady or rose slightly. Still, uncertainty about the path of mortgage rates kept some buyers on the sidelines, and the lack of affordable housing remained a persistent problem in many communities. Commercial real estate markets were generally flat, although data center and infrastructure projects boosted activity in a few Districts. The short-lived dockworkers strike caused only minor temporary disruptions. Hurricane damage impacted crops and prompted pauses in business activity and tourism in the Southeast. Agricultural activity was flat to down modestly, with some crop prices remaining unprofitably low. Energy activity was also unchanged or down modestly, and lower energy prices reportedly compressed producers' margins. Despite elevated uncertainty, contacts were somewhat more optimistic about the longer-term outlook.*

### ***Labor Markets***

*On balance, employment increased slightly during this reporting period, with more than half of the Districts reporting slight or modest growth and the remaining Districts reporting little or no change. Many Districts reported low worker turnover, and layoffs reportedly remained limited. Demand for workers eased somewhat, with hiring focused primarily on replacement rather than growth. Worker availability improved, as many contacts reported it had become easier to find the workers they need. However, contacts noted that it remained difficult to find workers with certain skills or in some industries, such as technology, manufacturing, and construction. Wages generally continued to rise at a modest to moderate pace. With the improvement in worker availability, contacts in multiple Districts pointed to a slowdown in the pace of wage increases. Still, larger than usual pay increases were reported for some workers, such as those in the skilled trades or in remote areas.*

### ***Prices***

*Inflation continued to moderate with selling prices reportedly increasing at a slight or modest pace in most Districts. Still, the prices of some food products, such as eggs and dairy, were reported to have increased more sharply. Home prices edged up in many Districts, while rents were reported to be steady or down slightly. Many Districts noted increasing price sensitivity among consumers. Input prices generally rose moderately. Contacts across several industries noted more acute pressures from rising insurance and healthcare costs. Multiple Districts reported that input prices generally rose faster than selling prices, compressing firms' profit margins.*

**ELEVENTH DISTRICT**  
**FEDERAL RESERVE BANK OF DALLAS –OCTOBER 23, 2024**

**Summary of Economic Activity**

*The Eleventh District economy expanded modestly over the reporting period. Activity grew moderately in non-financial services but was flat to down in manufacturing, retail, finance, and energy. Demand for nonprofit services increased. Home sales were flat, and agricultural conditions weakened. Employment rose modestly, and wage growth remained moderate. Selling price growth continued to be below average in most sectors except for manufacturing, where it was more typical. Outlooks were mixed, buoyed partly by the recent rate cut but weighed down by concerns regarding slowing demand and rising geopolitical and domestic policy uncertainty.*

**Labor Markets**

*Employment increased modestly over the past six weeks. Staffing firms cited a shift from temporary to direct hiring activity and added that firms were being more selective in their hiring decisions. Some firms said hiring was on pause, while professional and business services firms noted difficulty filling certain skilled positions. Most firms noted there was no change in the share of employees working remotely over the last year, while 11% cited having increased shares to boost employee morale and help with recruitment and worker retention. Among the 13% of employers who decreased the share of remote workers, improving teamwork and company culture were the main reasons.*

*Wage growth generally remained moderate. Some staffing services firms reported downward pressure on rates and one firm said in some instances the rates were so low that they were barely profitable. Texas businesses expect wage growth in the next 12 months to be 3.7%, on average, up from 3.5% in June but down from 4.4% in the previous 12 months.*

**Prices**

*Prices increased at a modest pace over the reporting period. Input costs were flat to up in most sectors, including energy, construction, and manufacturing. Selling price growth was moderate in manufacturing but remained below average in most other sectors. Homebuilders and auto dealers noted margin compression. Contacts' expectations of input cost growth have adjusted downward while selling price expectations were stable. Over the next 12 months, contacts expect input costs to rise 3.2% down from 3.7% in June, and plan to increase their prices by 2.7 per cent, which is little changed from June.*

**Manufacturing**

*Texas manufacturing activity fell modestly in September, after stabilizing in August. Weakness persisted in durable goods, particularly in primary metals and machinery manufacturing. Among nondurables, food manufacturers saw a notable increase in new orders, while Gulf Coast refinery utilization rates dipped due to narrowing margins and seasonality. Manufacturing firms generally reported little to no impact of the port workers' strike on their business, though some said if the strike had persisted it would have affected polymer production at several plastic manufacturing facilities. Manufacturing outlooks remained weak, with sluggish demand and heightened election uncertainty cited as key headwinds.*

**Retail Sales**

*Retail sales fell during the past six weeks. Auto dealers reported slow traffic and declining sales. However, not all sectors experienced a slowing. Health and personal care retailers cited modest increases, and food and beverage stores generally reported flat activity. Retail inventories held steady. Outlooks remained negative.*

**Nonfinancial Services**

*Service sector activity accelerated over the reporting period, with revenue growth strengthening to a normal pace following sluggish activity over the last year. Revenues in the leisure and hospitality sector rebounded strongly from the declines seen this summer. Revenue growth was moderate for transportation services. Airlines said air passenger demand remained stable, and business travel was returning in the form of fewer longer-duration trips rather than*

## *Green Meadows Public Improvement District*

*short, frequent ones. Growth in information services and professional and business services continued at a steady rate. In contrast, revenues in health care and education exhibited weakness. Outlooks shifted from slightly pessimistic to neutral but were still being dampened by labor costs and economic and domestic policy uncertainty.*

### ***Construction and Real Estate***

*Housing demand was stable during the reporting period. Contacts cited steady traffic and sales but noted lack of urgency among buyers and that clients were looking for deals. There were reports of weaker activity in the entry-level market. Discounting and rate buy downs remained widespread, and land and lot prices stayed elevated. The squeeze on builders' margins tempered outlooks.*

*Commercial real estate activity was steady. Apartment leasing continued to be solid, but concessions remained widespread, putting downward pressure on rents. Office leasing activity improved though it remained slow and was primarily concentrated in class A space. Retail and industrial demand grew, and rents were flat to up. Outlooks improved slightly, though contacts said the rate cuts have not yet materially impacted on activity or pricing.*

### ***Financial Services***

*Loan volumes declined in October, despite loan prices having declined for the first time since 2021. Overall, credit tightening continued and loan nonperformance rose but at a slower pace for both than in the previous reporting period. There was a notable uptick in concern with the performance of office commercial real estate loans. Bankers reported working with borrowers to keep CRE loans in good standing prior to maturity, when they may be refinanced. Despite this increased concern, bankers' outlooks turned sharply optimistic. Contacts expect a significant improvement in loan demand and business activity six months from now, although they still anticipate continued deterioration in loan performance.*

### ***Community Perspectives***

*Nonprofit service providers noted the continued solid demand for social services. Availability of safe and affordable housing remained a top concern, and there were reports of increased demand among lower-income clients for funding for home repairs or weatherization, particularly in the aftermath of recent severe weather events. Contacts cited rising assistance requests from seniors which they attributed to inflation. One nonprofit reported rising vacancies in their senior-only housing facilities, as seniors were reentering the workforce out of economic necessity, disqualifying them for these low-cost units. Some nonprofit leaders expressed reduced concern about inflation and interest rates, with one indicating that increased confidence has led them to move forward with capital investment. However, a few others said that economic and election uncertainty has led to hesitancy to give among some donors.*



**Texas A&M University**  
**Texas Real Estate Research Center**  
**Outlook for the Texas Economy (Excerpts)**

Joshua Roberson, Junqing Wu, and Rhutu Kallur (Updated October 16, 2024)



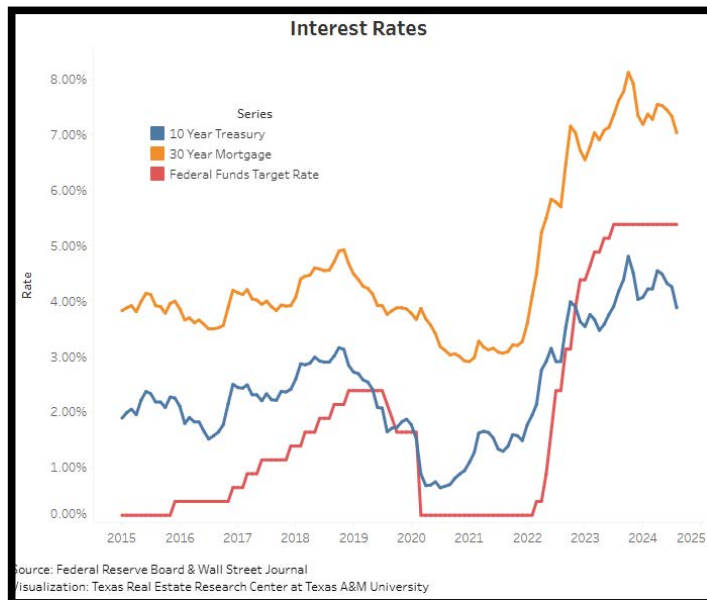
**Summary**

Texas total nonfarm employment grew in August following two months of decline. The unemployment rate remained at 4.1% for the second consecutive month. The rate of inflation continues to make progress with the Consumer Price Index (CPI) dropping to 2.5% year over year (YOY) in August from 2.9% YOY in July. Meanwhile, home sales fell in August.

**CPI Records Smallest YOY Increase in a Year**

Over the past 12 months, the CPI increased 2.5% before seasonal adjustments, the smallest YOY increase since March 2021. After seasonal adjustments, CPI rose 0.2% month over month (MOM) in August, the same as July.

The food index increased 0.1% MOM in August after rising 0.2% in July. The index for food away from home rose 0.3% over the month, while the index for food at home was unchanged. The energy index fell 0.8% over the month after being unchanged the preceding month.





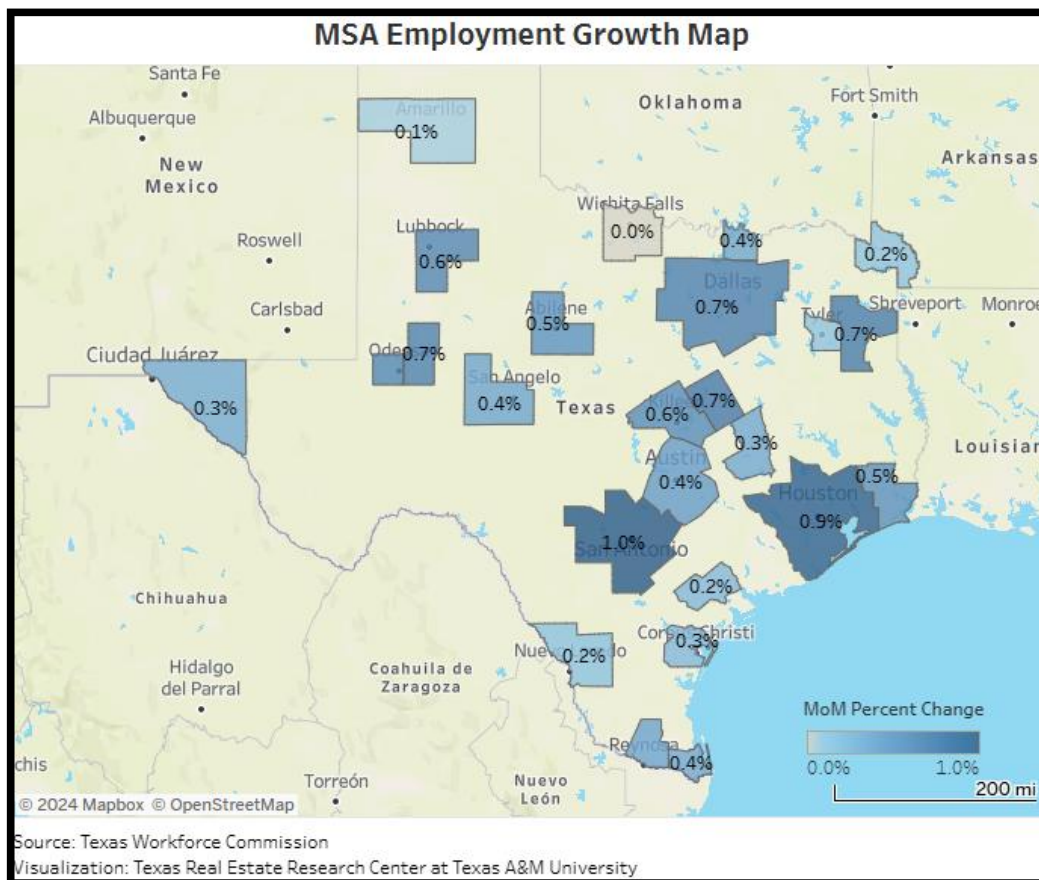
## Green Meadows Public Improvement District

### Texas Payroll Rebounded

In August, Texas nonfarm employment grew by 78,000 workers, representing a 0.6% MOM increase. June and July were down months, losing 9,100 and 19,700 jobs, respectively. This month's gains were more than enough to offset the prior two months. Among the state's Big Four metropolitan areas, San Antonio led the way with the highest MOM growth rate (1%), adding 11,900 positions. Houston and Dallas followed, posting gains of 0.9% (32,300 jobs) and 0.7% (28,900 jobs), respectively. Austin had a more modest increase (0.4%), adding 6,000 jobs.

In August, the trade, transportation, and utilities sector added 9,600 workers, reflecting a 0.3% increase. The professional and business services sector also expanded, with a gain of 12,700 workers, marking a 0.6% rise. Additionally, the education and health services sector grew by 7,900 jobs, representing a 0.4% increase.

Worker sentiment in Texas remained steady in August. The labor force participation rate held at 64.4%, unchanged from July. The unemployment rate also remained stable at 4.1%, the highest level since April 2024. Additionally, continued unemployment claims averaged approximately 142,400 per week.



### **Texas Home Sales Decline**

Texas total home sales declined by 6.2% in August, with 24,948 transactions, marking a continuation of the downward trend in June following a temporary uptick in July. Among the Big Four metro areas, only Austin saw growth, with a 2.7% increase to 2,266 transactions. Dallas experienced the steepest decline, with sales dropping by 10.4% to 6,857 units, highlighting significant cooling in that market. Houston and San Antonio also saw declines, albeit less pronounced, with Houston down 4.4% to 6,627 units and San Antonio down 4% to 2,621 units. The broad-based nature of these declines across major cities reflects a larger state-wide trend of slowing home sales as the housing market adjusts.

	July	August	MoM Change
Austin-Round Rock-San Marcos	2,206	2,266	2.7%
San Antonio-New Braunfels	2,731	2,621	-4.0%
Houston-Pasadena-The Woodlands	6,933	6,627	-4.4%
Texas	26,592	24,948	-6.2%
Dallas-Fort Worth-Arlington	7,653	6,857	-10.4%

Source: Data Relevance Project and Texas Real Estate Research Center at Texas A&M University  
Note: Data are seasonally adjusted

### **Service Sector and Retail Accelerated**

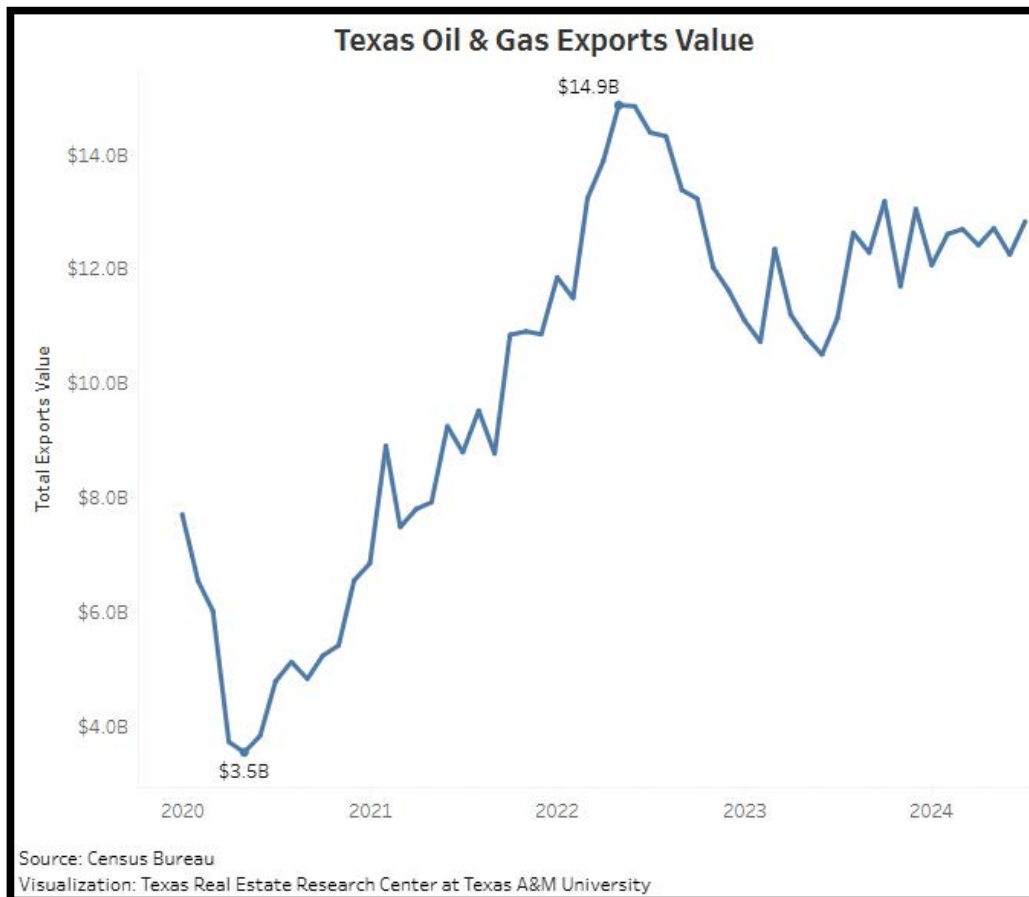
In August, Texas' service sector activity continued to expand at a similar pace as in July, with the revenue index holding relatively steady at 8.7. The employment index recorded a slight increase to 0.6, suggesting minimal changes in employment levels. Meanwhile, input prices rose, as shown by an increase in the input prices index to 28.4, pointing to mounting cost pressures. In contrast, the part-time employment index declined further to -4.9, signaling a reduction in part-time positions. The index for hours worked remained unchanged at -0.7, indicating stability in overall working hours.

Perceptions of broader business conditions worsened slightly in August. The general business activity index dropped to -7.7 from -0.1, while the company outlook index declined to -3.1 from 1.0. Additionally, the outlook uncertainty index rose to 13.9 from 8.4, reflecting growing uncertainty. Selling prices and wage pressures remained stable, with the selling price index essentially unchanged at 4.5 and the wages and benefits index holding steady at 14.2. However, input price pressures increased, as the input price index rose to 28.4 from 21.8.

Retail sales activity declined at a slower rate in August than the previous month. The sales index, a key indicator of state retail performance, improved to -6.2 from -18.1, signaling the decline in retail sales was less pronounced. Retail inventories grew during the month, with the index rising to 15.8. Labor market indicators in the retail sector pointed to contractions in both employment and work weeks. The employment index remained largely unchanged at -5.9 while the part-time employment index dropped further to -18.6. The hours worked index remained in negative territory but improved to -8.6.

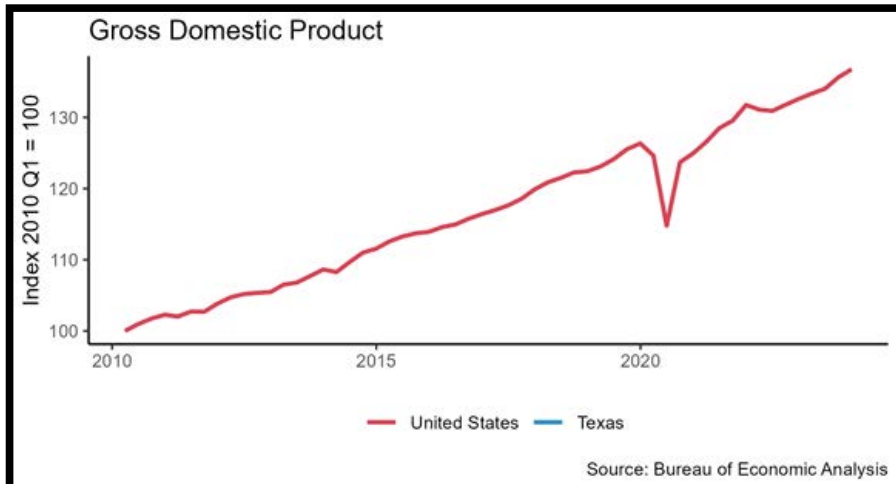
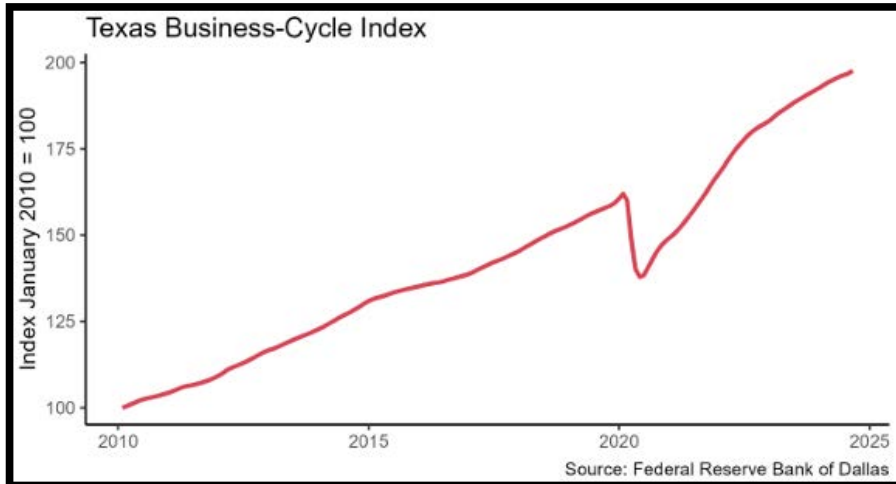
### **Texas Export Growth Slow Without Oil Boost**

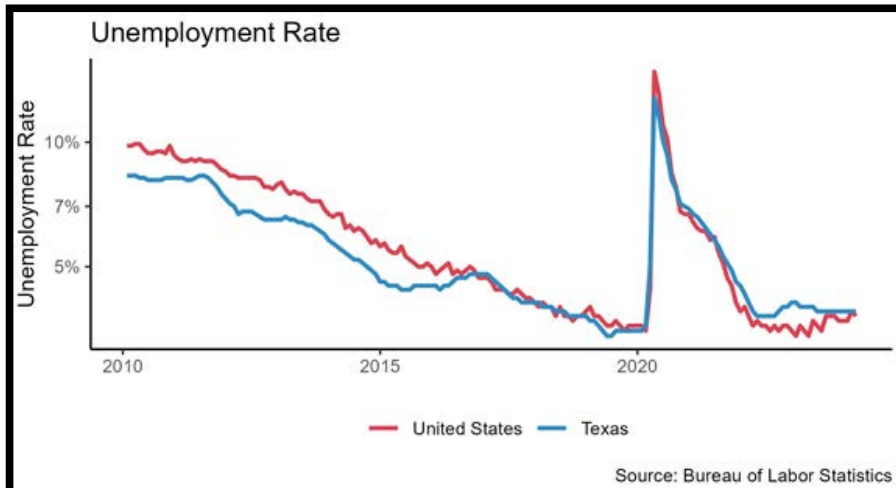
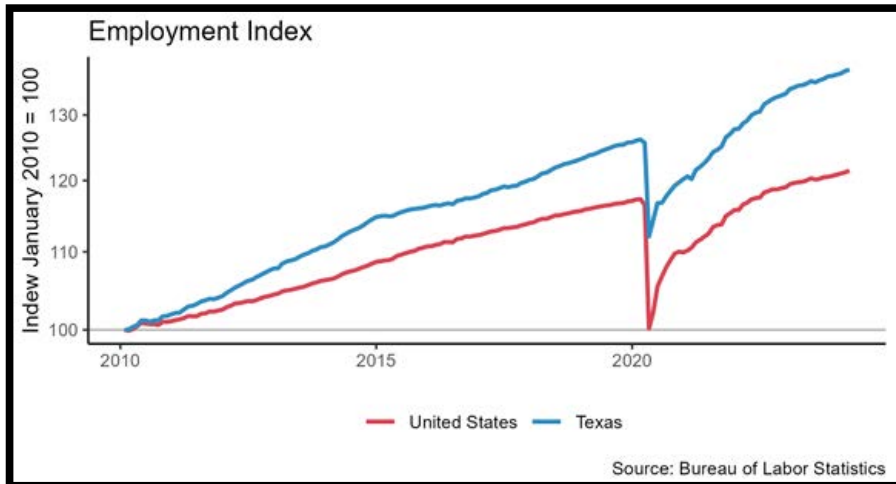
Texas' total commodity exports experienced a 3% MOM increase in July, alongside a 5.5% YOY rise. The demand for Texas oil and natural gas exports, which continue to be the state's leading exports, grew by 4.7%. In contrast, petroleum and coal product exports saw a 2.2% decline during the same period.

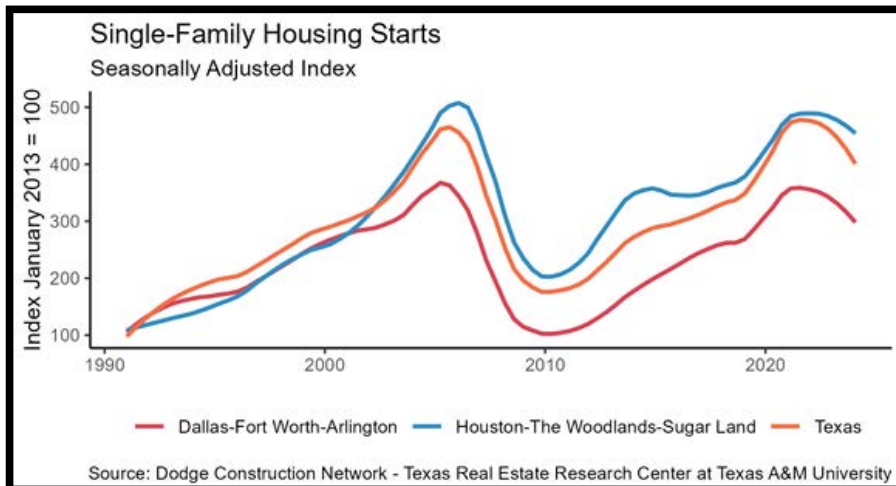
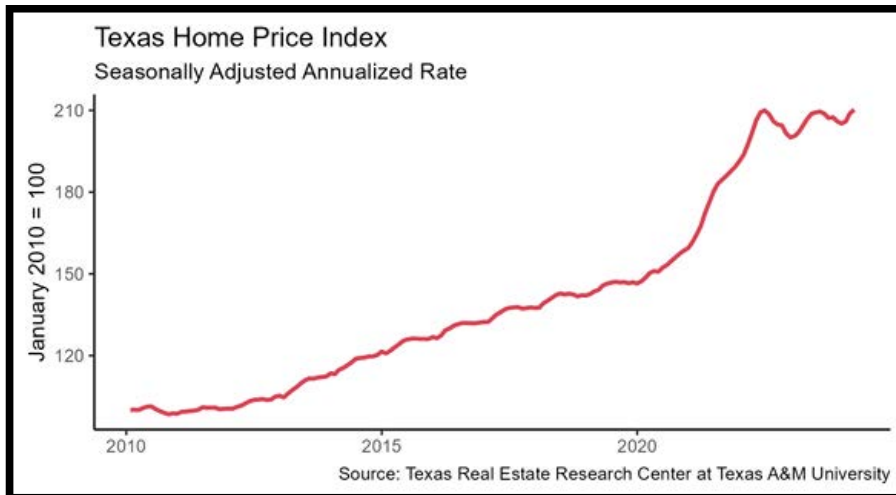
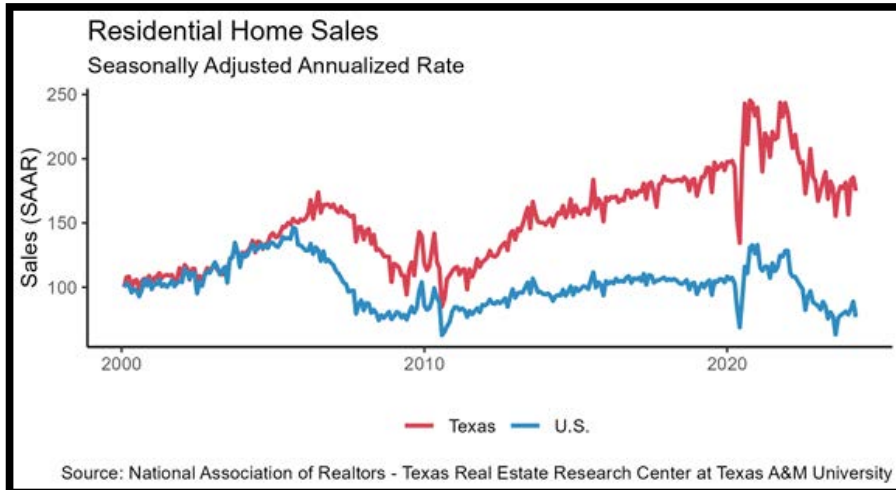


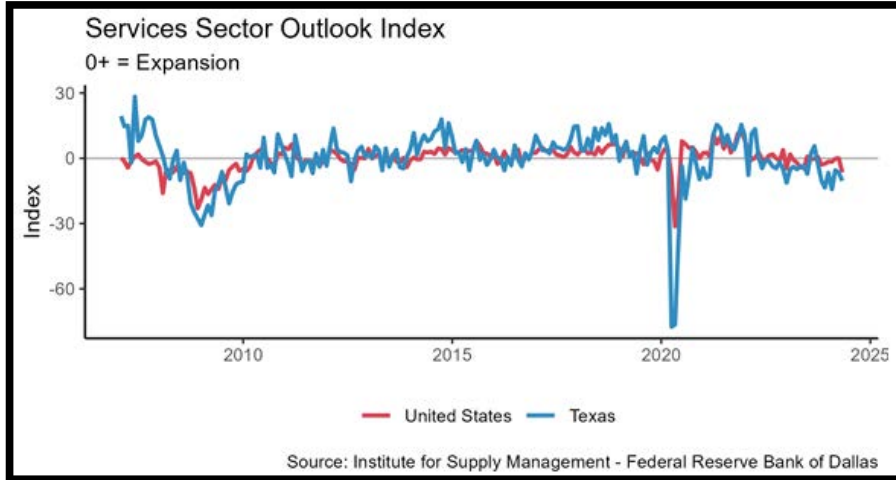
### **Select Economic Indicators**

- The Texas Leading Economic Index surged to 125.9 (1987=100) in August, marking a significant 3.2-point jump compared to the previous month. This notable increase highlights strong forward momentum in the state's economy.
- Nominal average hourly earnings saw a modest MOM increase of 0.2%, reaching \$33.02, and a YOY rise of 4.5%.
- Earnings fluctuated across the four major metro areas, with DFW decreasing by \$0.18, Austin decreasing by \$0.62, San Antonio increasing by \$0.24, and Houston decreasing by \$0.75.
- Texas consumer confidence rose by 6% MOM in August, reaching 117.5 and continuing its upward trend.
- The ten-year U.S. Treasury bond fell 38 basis points, standing at 3.87%.
- The Federal Home Loan Mortgage Corporation's 30-year fixed-rate fell by 35 basis points to 6.5%.
- The West Texas Intermediate (WTI) crude oil spot price declined by 6.3% MOM to \$76.68. The Henry Hub natural gas spot price decreased by 4.8% MOM from \$2.08 to \$1.98 per million British thermal units (BTU).



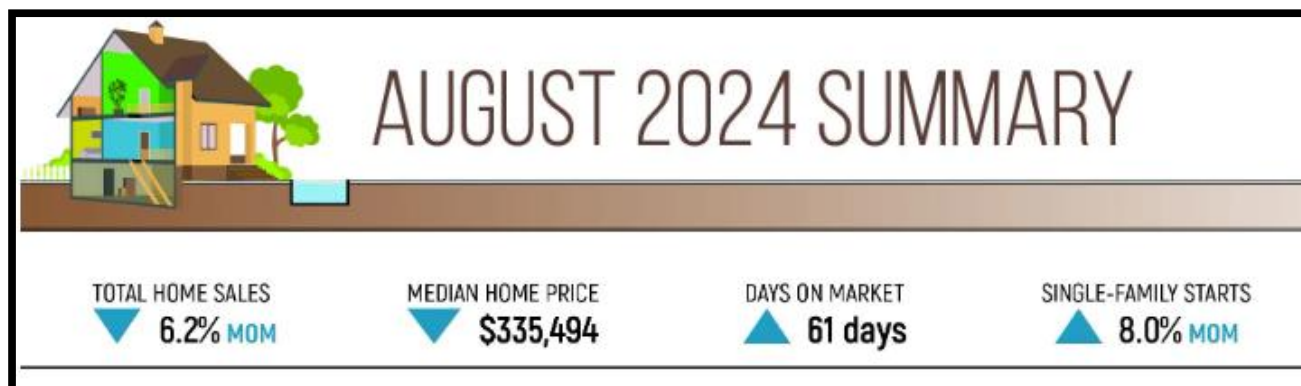








**TEXAS HOUSING INSIGHT (EXCERPTS)**  
**Texas A&M University – Texas Real Estate Research Center**  
 Wesley Means, Joshua Roberson, Junqing Wu, and Rhutu Kallur (October 9, 2024)



**Summary**

August saw a fall in home sales and a continued rise in building permits. New listings increased almost 14%, driven largely by the Houston metro recovering after Hurricane Beryl. The storm did not have the same degree of impact on sales. Home prices fell slightly to \$335,494.

**Sales Dip, New Listings Bounce Back**

After bouncing back in July, statewide seasonally adjusted home sales dropped 6.2% month-over-month (MOM), resulting in 24,948 homes sold (Table 1). Dallas had the largest decrease among the Big Four at 10.4% (6,858), followed by Houston at 4.4% (6,628) and San Antonio at 4% (2,622). Austin was the only one among the Big Four to have an increase in August (2.7%), resulting in 2,267 homes sold.

**Table 1. Home Sales Volume**

	July	August	MoM Change
Austin-Round Rock-San Marcos	2,206	2,266	2.7%
San Antonio-New Braunfels	2,731	2,621	-4.0%
Houston-Pasadena-The Woodlands	6,933	6,627	-4.4%
Texas	26,592	24,948	-6.2%
Dallas-Fort Worth-Arlington	7,653	6,857	-10.4%

Source: Data Relevance Project and Texas Real Estate Research Center at Texas A&M University  
 Note: Data are seasonally adjusted

The number of new listings increased by over 5,500, marking a 13.8% rise from July, in large part due to Hurricane Beryl. New listings plummeted the week of Hurricane Beryl with the following weeks making up for the decline. This increase spilled over into August, when new listings normally are in decline following the peak months of June and July. Houston saw a substantial increase of 44.9% (14,098), followed by Austin at 27% (3,543) and Dallas at 12.5% (11,349). San Antonio had the smallest addition among the Big Four, with a 5.8% increase (4,060).



## Green Meadows Public Improvement District

The state's average days on market (DOM) increased by one day to 61 days. Dallas had the largest increase—from 52 to 55 days, a 7% increase. Similarly, Austin increased from 68 to 70 days. Houston and San Antonio both rose by one day and are currently at 52 and 74 days on market, respectively.

Texas' number of active listings increased from 116,294 to 120,129 (3.3%). Active listings across the Big Four rose in August with Dallas, San Antonio, and Houston increasing by 4.3% (26,835), 1.5% (14,093), and 3.5% (28,456), respectively, while Austin rose by 0.1% (11,519).

Statewide pending listings have begun increasing with 1,368 additional pending listings in August. The pending listings across the Big Four have been mixed with Houston (7,294) and Austin (2,616) increasing by 18.6% and 15%, respectively. Meanwhile, San Antonio (2,235) and Dallas (6,170) declined by 20% and 14.7%, respectively.

### Interest Rates on the Decline

Treasury and mortgage rates both declined in August but at a much faster rate than the month before. The average ten-year U.S. Treasury Bond yield fell 38 basis points to 3.87%. The Federal Home Loan Mortgage Corporation's 30-year fixed-rate fell by 35 basis points to 6.5%.

### Single-Family Permits Grow at a Slower Pace

Statewide, building permits increased at a lower rate in August, up 1.59% MOM after a 29% increase in July. Houston grew by 7.3% and Dallas by 2.2%. Austin and San Antonio, on the other hand, fell by 8.1% and 7.3%, respectively.

Single-family construction starts to grow after monthly declines since March 2024. Seasonally adjusted statewide single-family starts increased by 8% MOM to 13,564 units. Houston and Austin rose by 20% and 17%, respectively, while San Antonio increased by comparatively less (2.5 percent). Meanwhile, Dallas decreased by 0.6%.

The state's total value of single-family starts climbed from \$20.28 billion in August 2023 to \$26.13 billion in August 2024. Houston accounted for 35.7% of the state's total starts value followed by Dallas with 27.1%.

### Home Price Dip Slightly

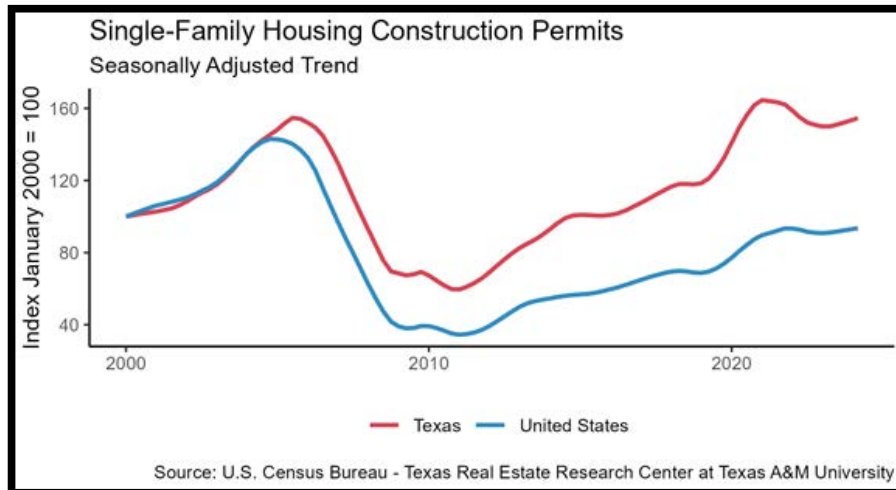
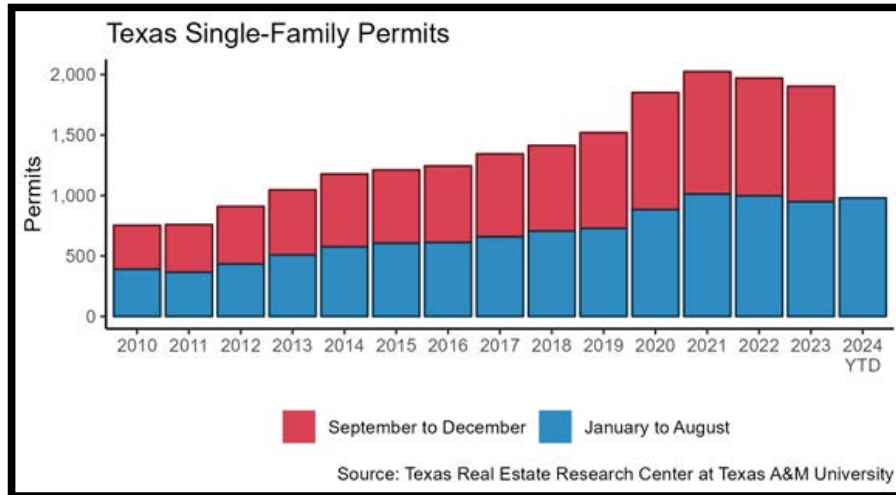
Texas' median home price fell 0.2% in August from \$336,109 to \$335,494 (Table 2). Houston fell by 2.7% to \$331,510 while Dallas rose by 2.2% to \$396,654. Austin fell the most among the Big Four, by 2.8% to \$435,915. San Antonio fell by 1.3% to \$306,698.

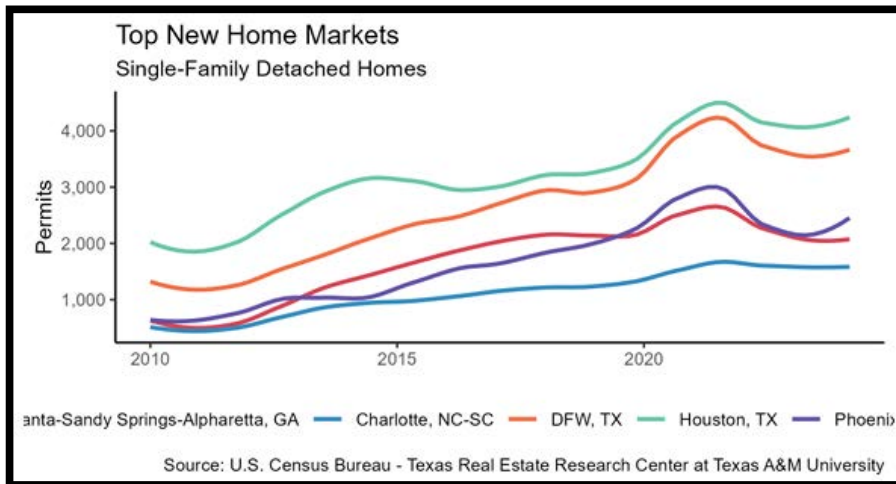
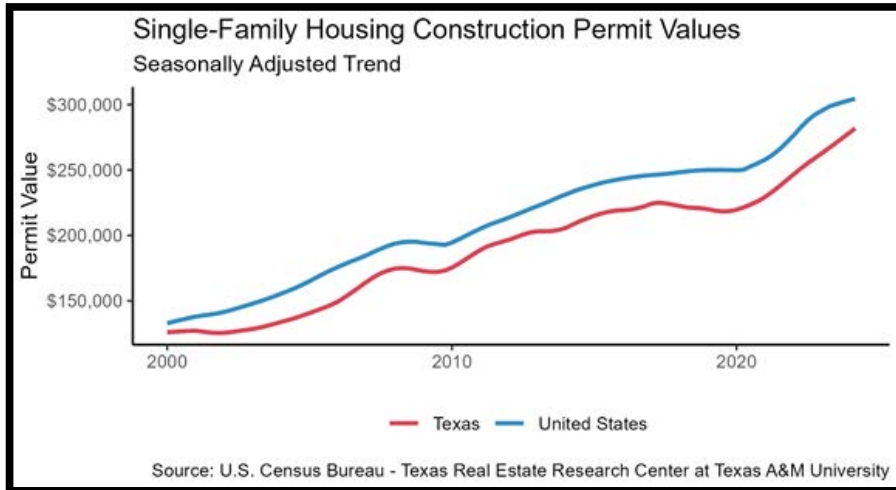
	July	August	MoM Change
Dallas-Fort Worth-Arlington	\$387,858	\$396,654	2.3%
Texas	\$336,109	\$335,494	-0.2%
San Antonio-New Braunfels	\$310,846	\$306,698	-1.3%
Houston-Pasadena-The Woodlands	\$340,880	\$331,510	-2.7%
Austin-Round Rock-San Marcos	\$448,528	\$435,915	-2.8%

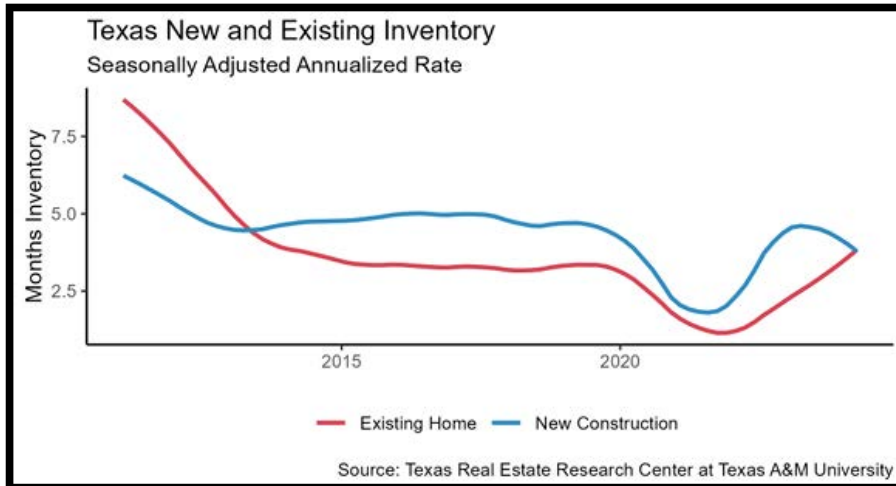
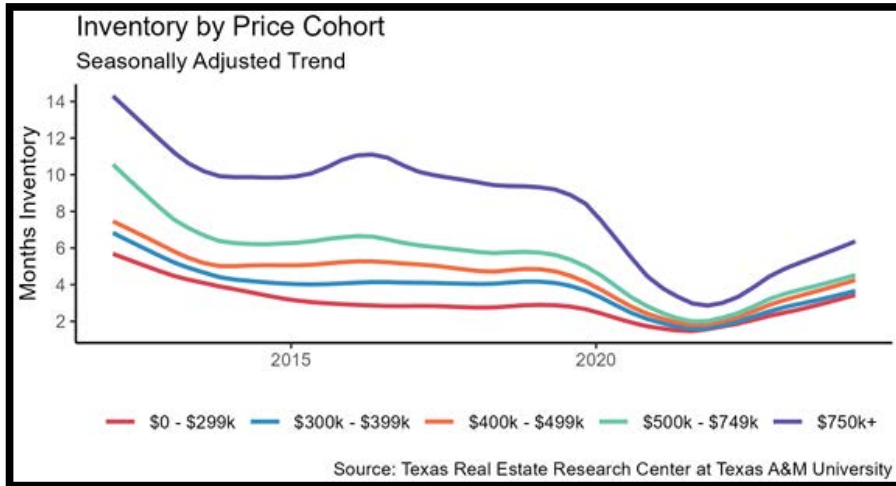
Source: Data Relevance Project and Texas Real Estate Research Center at Texas A&M University  
Note: Data are seasonally adjusted

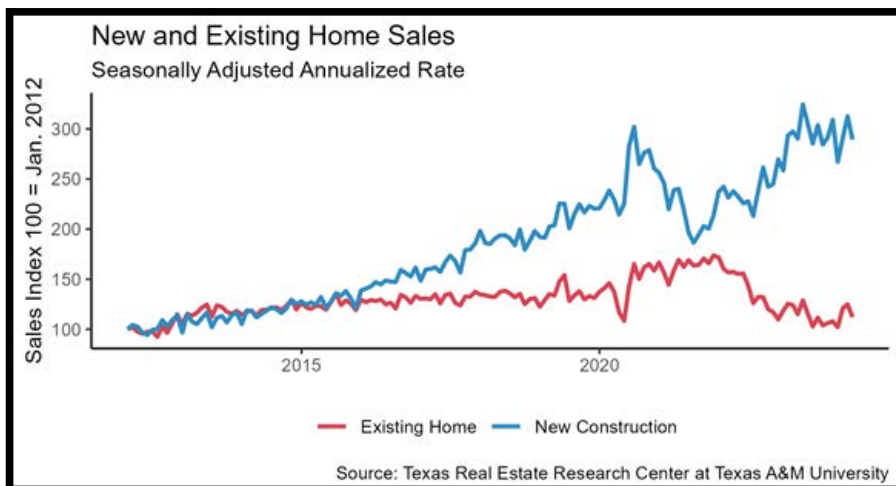
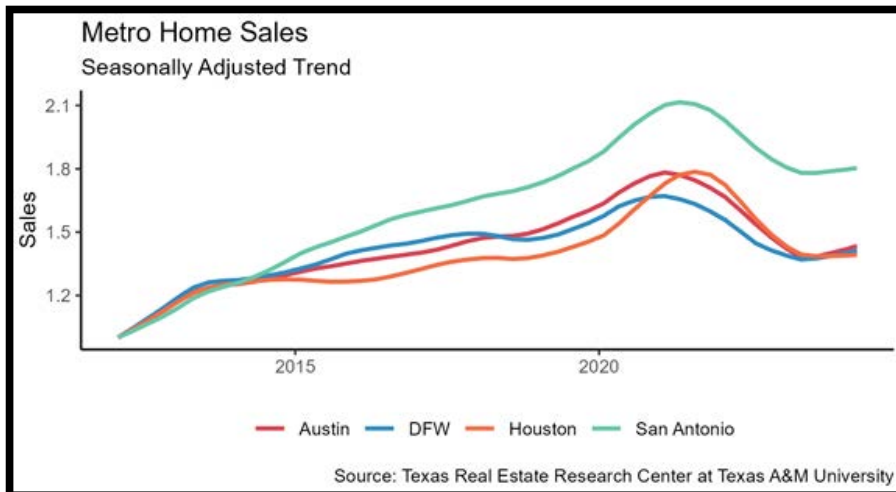
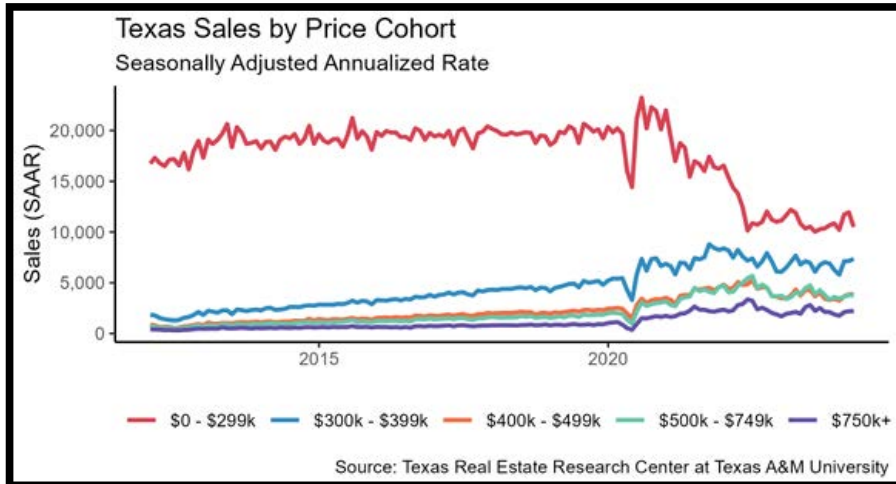
Green Meadows Public Improvement District

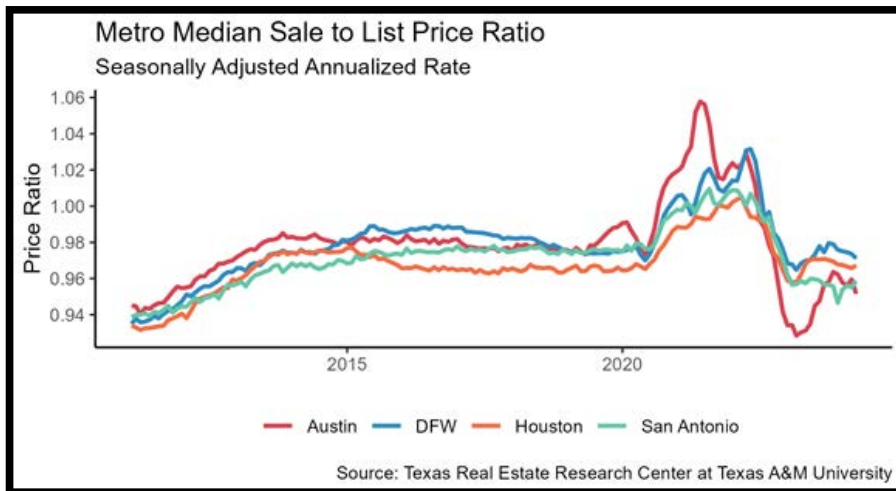
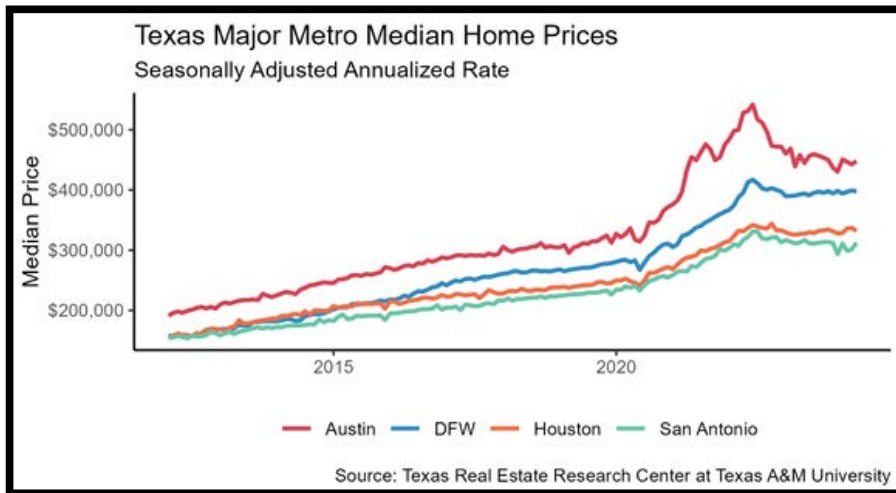
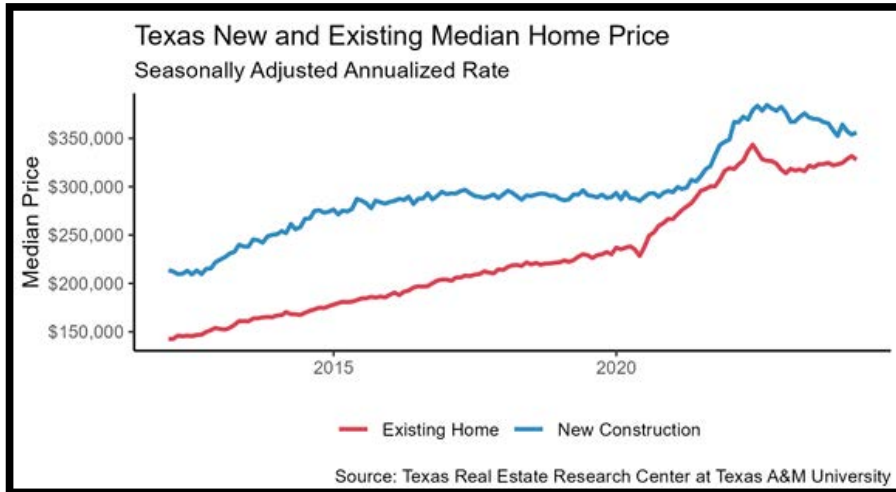
The Texas Repeat Sales Home Price Index (Jan 2005=100), which is a more accurate reflection of home price changes, fell 0.5% MOM in August but increased 1.1% year over year (YOY). Austin's annual appreciation remains below the state's average and fell by 3.9% YOY in August.



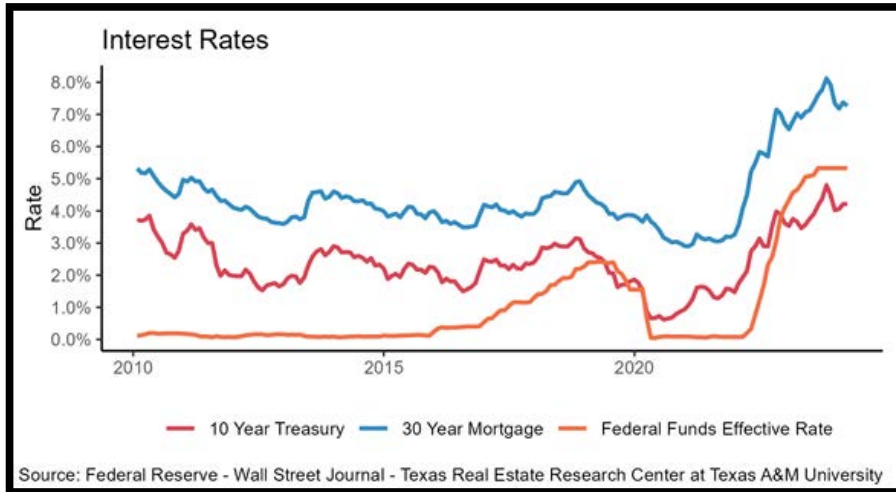






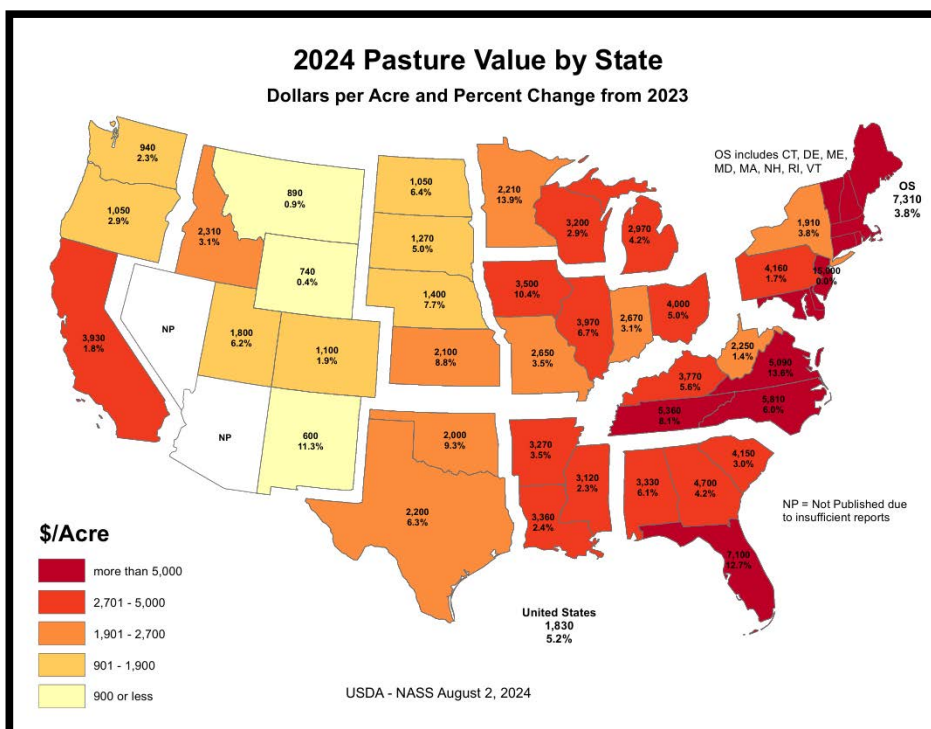
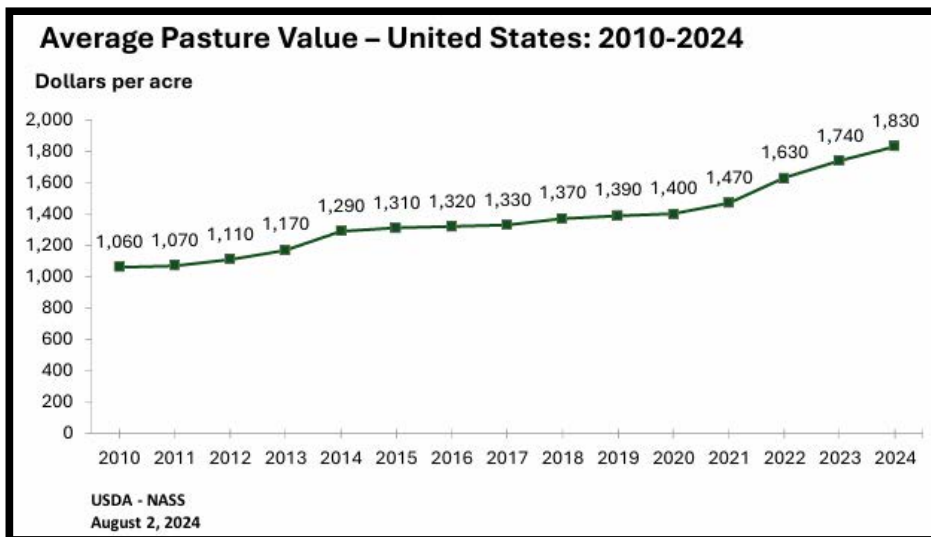






### USDA NASS

We reviewed research from the Texas A&M Real Estate Center, the United States Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS), and the Texas Chapter of the American Society of Farm Managers & Rural Appraisers to establish the market trends of rural land transactions. According to the USDA NASS, the value of a typical US pasture (measuring land) averaged \$1,830 per acre for 2024. Below shows the average pasture value national and by state which was \$2,200/acre in Texas – up 6.3% annually





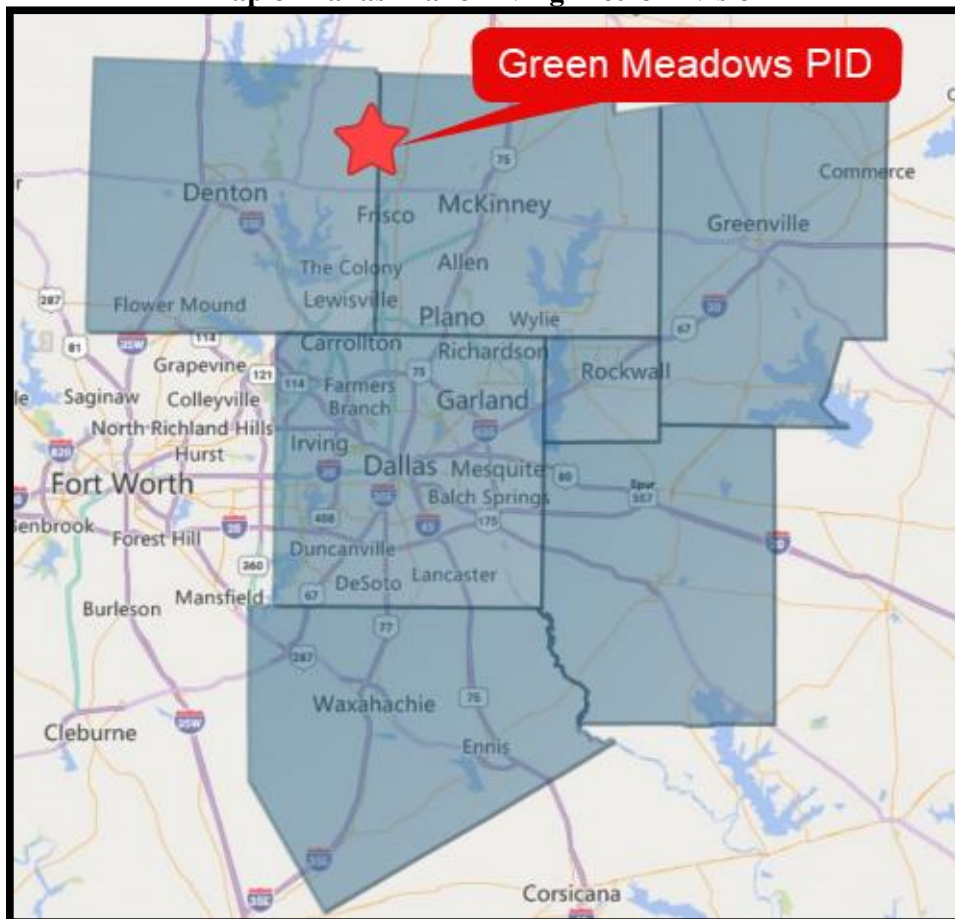
**DALLAS – PLANO - IRVING METRO DIVISION QUARTERLY HOUSING REPORT (EXCERPTS)**

**Texas A&M University – Texas Real Estate Research Center**  
(Second Quarter, 2024)

**Executive Summary**

- Metro area sales volume decreased 1.4% to 17,666 transactions. The median price stayed at \$430,000 compared with 2024 Q2.
- 2024 Q2 months inventory for all residential properties rose 56.1% year-over-year to 3.8 months.
- Metro area residential property listings increased 50.7% year-over-year to 18,920 active listings.

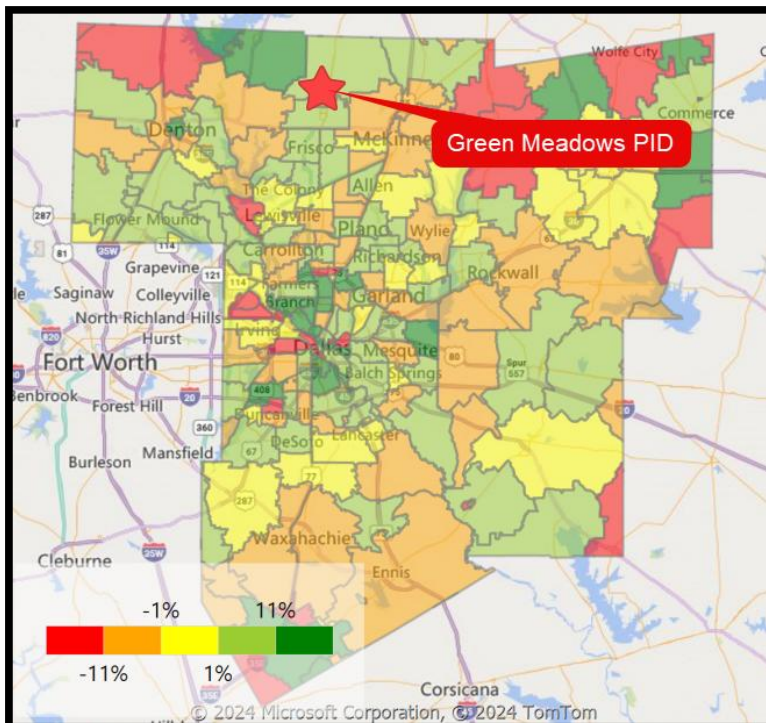
**Map of Dallas-Plano-Irving Metro Division**



## Green Meadows Public Improvement District

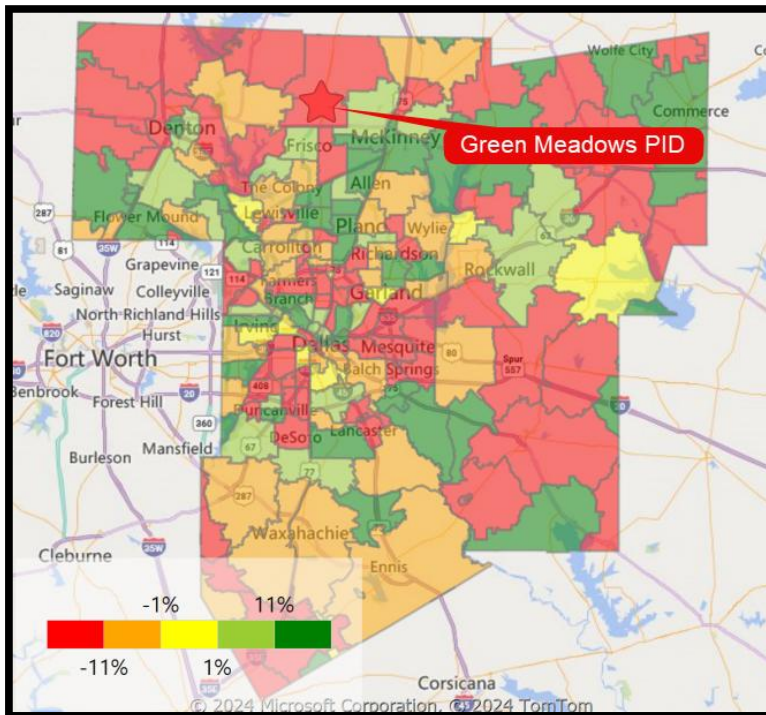
### Median Price Change (YoY)

According to TREC, median sale price change year-over-year (YoY) near Green Meadows PID increased 1% < 11%.



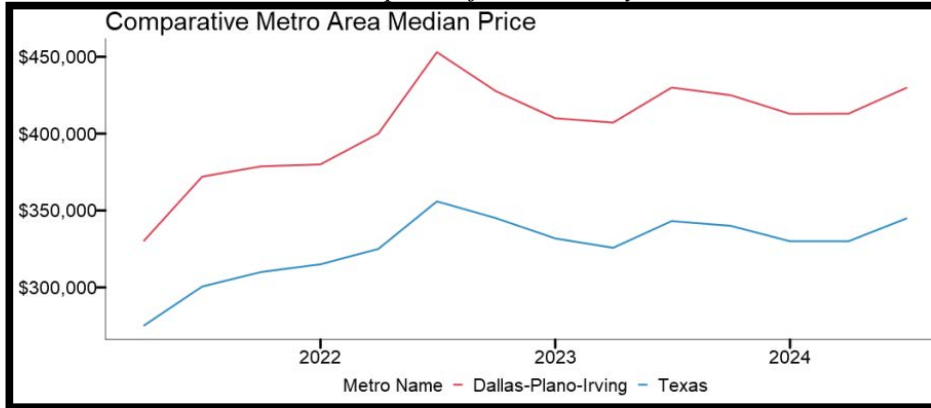
### Sales Volume Change (YoY)

According to TREC, sales volume change year-over-year (YoY) in the subject's area near Green Meadows PID decreased >11%.

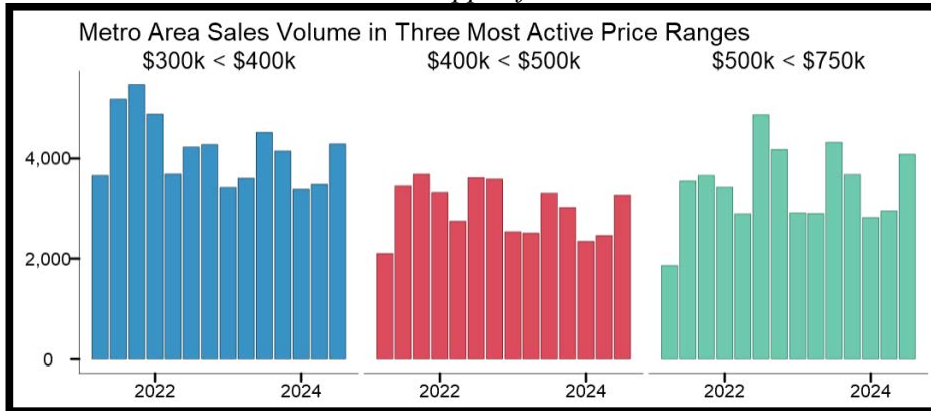


*Green Meadows Public Improvement District*

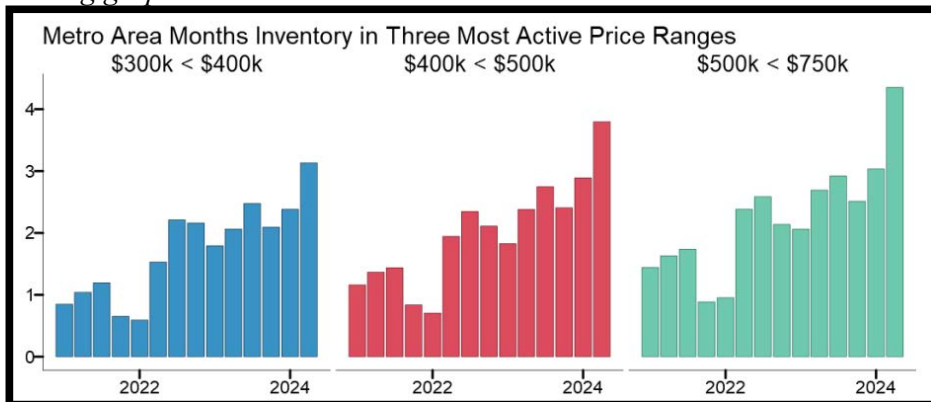
The median price in the Dallas-Plano-Irving metro remained stagnant compared with the same quarter last year. Metro area price exceeded the statewide median price of \$345,000 by \$85,000:



2024 Q2 total sales volume decreased by approximately 1.4% year-over-year, from 17,920 to 17,666. Sales of homes between \$300k and \$400k dipped from 4,519 to 4,290, while homes between \$500k and \$750k dipped from 4,322 to 4,084, and homes between \$400k and \$500k dipped from 3,307 to 3,265 as shown in the following graph:

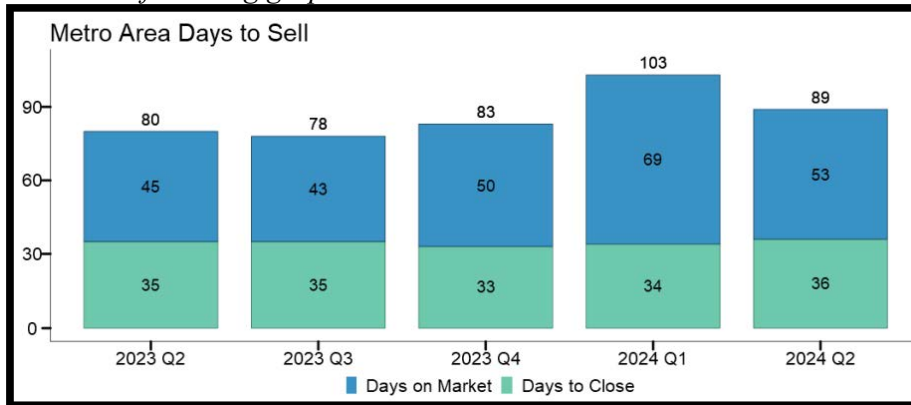


Metro area months inventory increased year-over-year from 2.43 to 3.79 months. Homes between \$300k and \$400k rose year-over-year, from 2.06 to 3.13 months, while homes between \$500k and \$750k rose year-over-year, from 2.69 to 4.35 months and homes between \$400k and \$500k rose year-over-year, from 2.38 to 3.8 months as shown in the following graph:



*Green Meadows Public Improvement District*

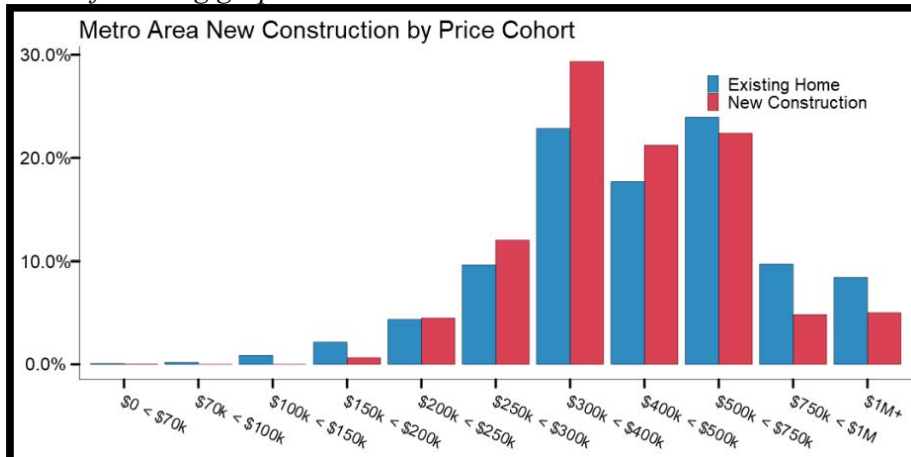
*Average days to sell throughout the metro area fell from 78 to 77 days, a decrease of 1.3% year-over-year. Average days to sell for homes between \$300k and \$400k decreased by approximately 5.1% year-over-year, from 78 to 74 days as shown in the following graph:*



*Homes in the \$400s and above fell to 53.5% of single-family new construction sales through the MLS. The second most active price range was homes in the \$300s, which did not change compared with last year as shown in the following graph:*



*In the latest quarter, the average price was \$504,373 for new homes sold through the MLS, a decrease over last year's figure of \$533,873. Average price for existing homes was \$570,165, an increase over last year's figure of \$549,432 as shown in the following graph:*



Green Meadows Public Improvement District

The following chart shows the housing metrics for Denton County:

Denton County											
Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
\$0 < \$70k	3	200%	0%	***	***	***	***	0	0.0	***	***
\$70k < \$100k	0	0%	0%	-	-	-	-	0	0.0	-	-
\$100k < \$150k	4	100%	0%	***	***	***	***	0	0.0	***	***
\$150k < \$200k	14	75%	0%	\$176,000	4%	\$160.48	-6%	5	1.1	1,063	1971
\$200k < \$250k	37	-3%	1%	\$235,000	4%	\$195.69	2%	20	1.5	1,232	1983
\$250k < \$300k	197	15%	5%	\$285,000	1%	\$210.11	6%	87	1.5	1,338	2004
\$300k < \$400k	1,047	-7%	26%	\$352,990	0%	\$201.94	2%	753	2.3	1,738	2009
\$400k < \$500k	946	-3%	23%	\$445,000	0%	\$207.76	3%	839	3.2	2,149	2015
\$500k < \$750k	1,112	-6%	27%	\$593,181	0%	\$214.37	3%	1,130	3.6	2,783	2015
\$750k < \$1M	417	25%	10%	\$850,000	1%	\$243.74	4%	481	4.7	3,536	2015
\$1M+	313	14%	8%	\$1,253,889	-1%	\$301.40	2%	521	7.1	4,334	2015

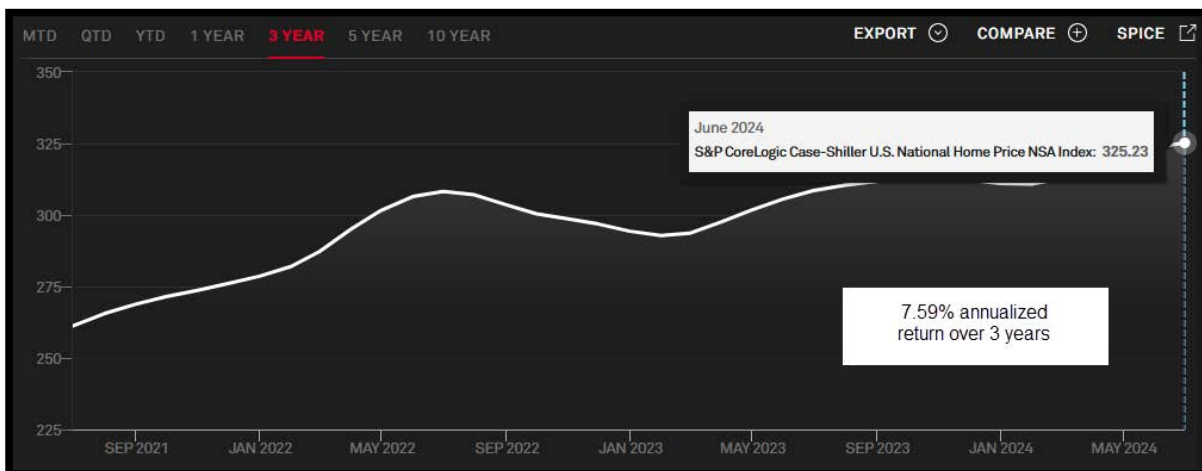
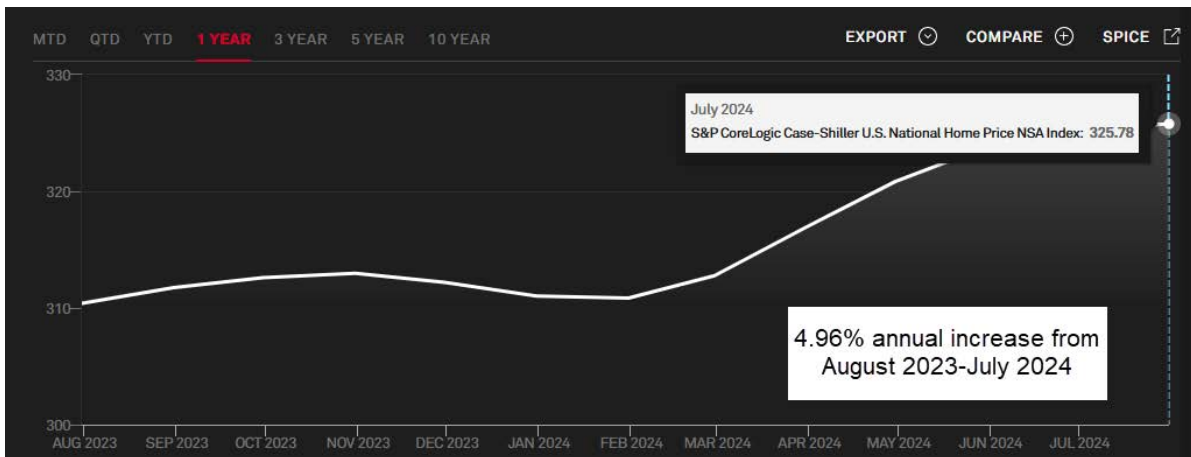
Not displayed when fewer than five sales



### S&P CORELOGIC CASE-SHILLER INDEX

July 2024

Data reported from the Standard & Poor Dow Jones Indices (1-year and 3-year graphs shown below) from end of July 2024 showed that home prices nationally were up 4.96% YoY while the Dallas Metropolitan area also increased by 1.87%. Prices have increased in mostly the western and northern states; however, the southern region has remained steady compared to the national average.



Metropolitan Area	July 2024 Level	July/June Change (%)	June/May Change (%)	1-Year Change (%)
Dallas	301.67	-0.11%	0.39%	1.87%
Composite-10	353.24	0.01%	0.63%	6.77%
Composite-20	335.77	0.04%	0.61%	5.92%
U.S. National	325.78	0.10%	0.49%	4.96%

Sources: S&P Dow Jones Indices and CoreLogic  
Data through July 2024

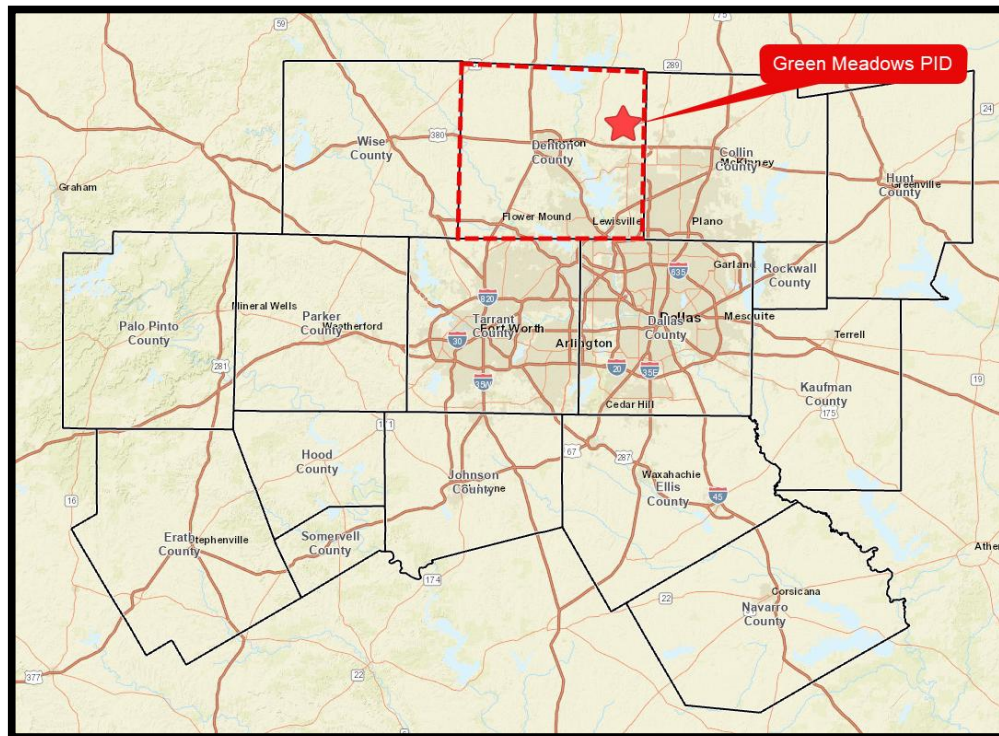
## REGIONAL ANALYSIS

The subject is located in Denton County within the Dallas-Fort Worth-Arlington Metropolitan Statistical Area (MSA), often combined from the Dallas-Plano-Irving MSA and the Fort Worth-Arlington-Grapevine MSA, and more commonly referred to as the Metroplex (DFW), which encompasses parts of 16 counties and contains 23 cities with populations over 50,000 in North Central Texas. As reported by the North Central Texas Council of Governments (NCTCOG), the estimated January 1, 2024, population for the NCTCOG region is 8,481,512. Last year the region added just under 200,000 people, nearly 40,000 more residents than were added in 2022. Dallas (30,201) added more population than any other city, followed by Fort Worth with just under 27,000 and surpassing 1 million residents. Celina (10,826), Frisco (6,696), and Princeton (6,374) round out the top 5 growth cities. For the second straight year, Collin County added more than 53,000 new residents while Dallas County added almost 42,000 and Tarrant County added over 35,000 new people. Since 2020, 650,000 new residents now call north Texas home. Contributing about one-third of Texas' GDP, the economy is the most diverse in the state. DFW is home to many business and professional services from major financial institutions to international law firms. It is also home to one of the top ranked container ports in the US and an extensive infrastructure network that serves multiple hotbeds for e-commerce fulfillment.

The region is anchored by two major passenger airports: Dallas-Fort Worth International Airport (DFW), which is the second busiest airport in the world in terms of aircraft movements and the largest hub for American Airlines, and Dallas Love Field Airport (DAL), which is a city-owned airport and the largest hub for Southwest Airlines – the largest carrier in the nation in terms of passengers carried.

### MAP OF DALLAS-FORT WORTH METROPLEX

*Red Lines Showing Denton County Boundary*

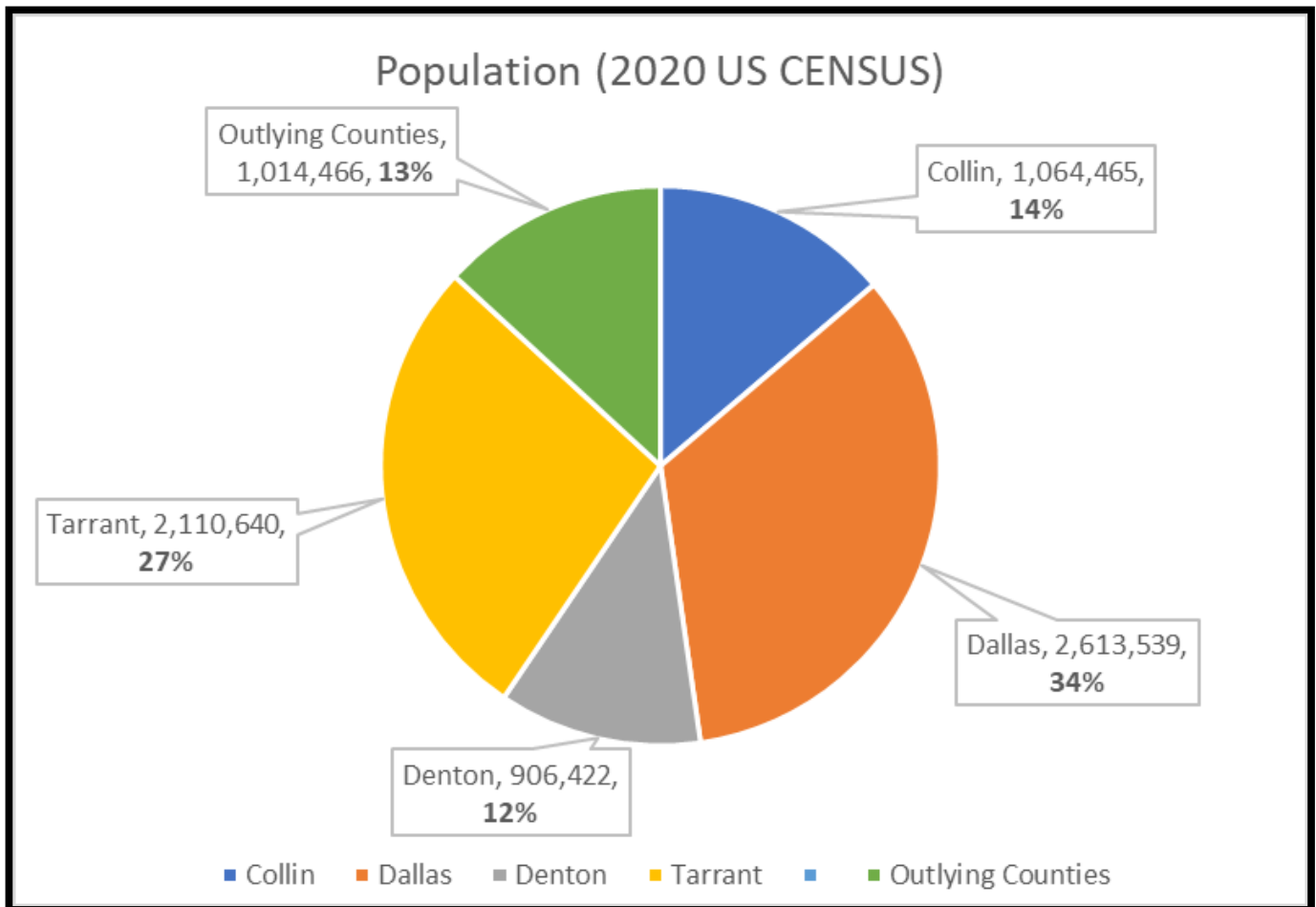


*Green Meadows Public Improvement District*

When compared to the national economy, the DFW Metroplex is expected to experience expansion arising from growth in a variety of sectors including construction, transportation, manufacturing, finance, healthcare, business services, science and technology, education, and real estate. The expansion is fueled by the region’s strategic location in the center of the country and located at the nexus of major roadways such as Interstates 35, 30, 20, and 45. It is predicted by most analysts that economic activity in the area will exceed the state and national growth averages across most indicators. The region is set for long-term development due in part to its transportation infrastructure, low cost-of-living, business friendly regulatory environment, mild weather, young population, and large work force.

A chart of the four counties in the Metroplex with the highest populations is shown below. Dallas County is the most populated county in the region with 2,613,539 residents, followed closely by Tarrant County with 2,110,640, Collin County with 1,064,465, and Denton County with 906,422. Other outlying counties such as Ellis, Johnson, Parker, Kaufman, Rockwall, Palo Pinto etc. add up to another 1,014,476 residents. The subject property is in the northeast quadrant of Denton County.

**PIE CHART OF POPULATION PERCENTAGES IN DFW METROPLEX**



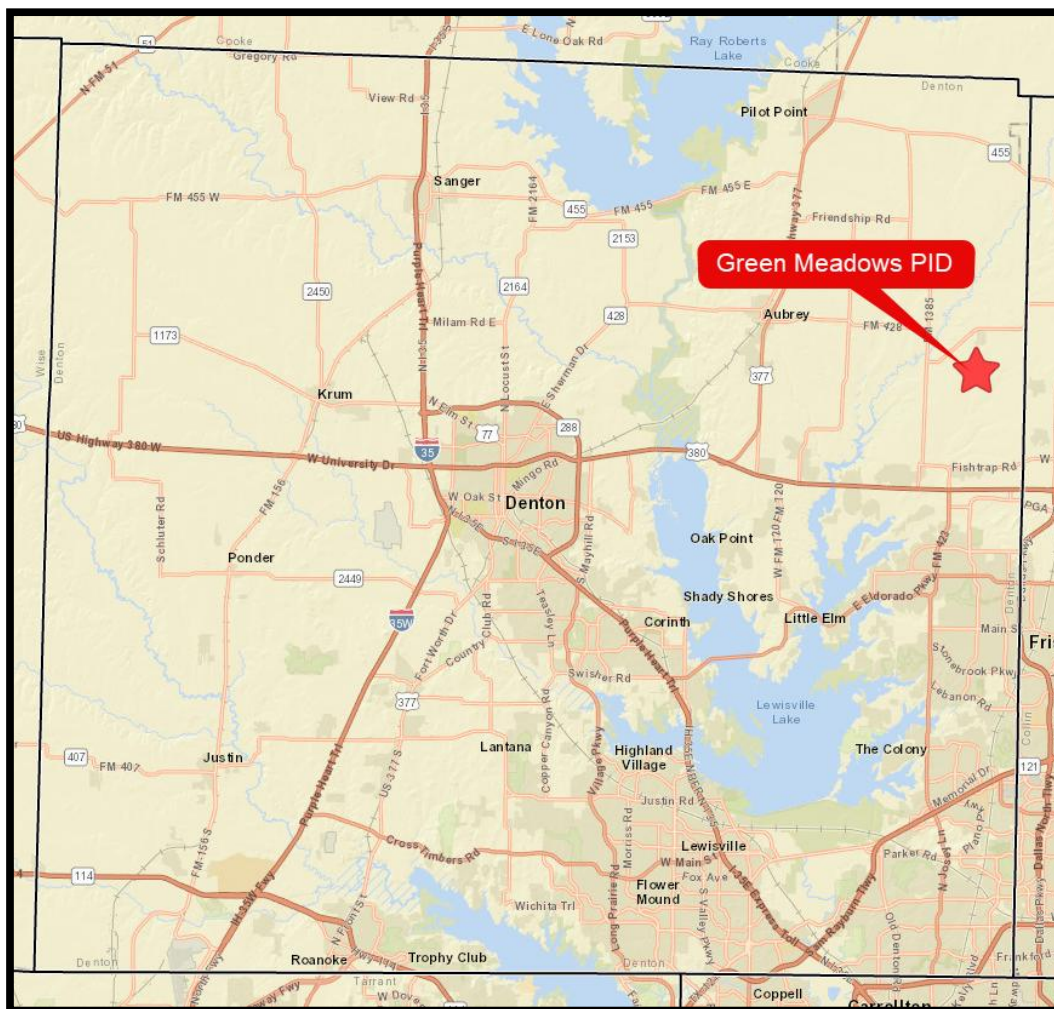


### DENTON COUNTY OVERVIEW

The subject property is located in the northeast quadrant of Denton County which is a rapidly growing county in the north-central portion of the Dallas-Fort Worth Metroplex. The county seat is Denton, which is centrally located in the county and is home to the University of North Texas, which is a public university boasting over 40,000 students. The county contains three large lakes (Ray Roberts Lake, Lewisville Lake, and Grapevine Lake) that provide recreation, water source, and flood control for the community. The county also includes parts of Alliance Texas, which is a global logistics hub and home to over 500 companies and over 50 million square feet of industrial, commercial, retail, and residential space.

Initially serving as a bedroom community for Dallas and Fort Worth, as of 2020, the population for Denton County was 906,422 with population growth consistent for decades. Census data indicate Denton County population growth from 1970-1980 was 89.24%, 1980-1990 was 91.11%, 1990-2000 was 58.3%, 2000-2010 was 53%, and 2010-2020 was 36.8%.

### MAP OF DENTON COUNTY Subject Located in Northeast Denton County

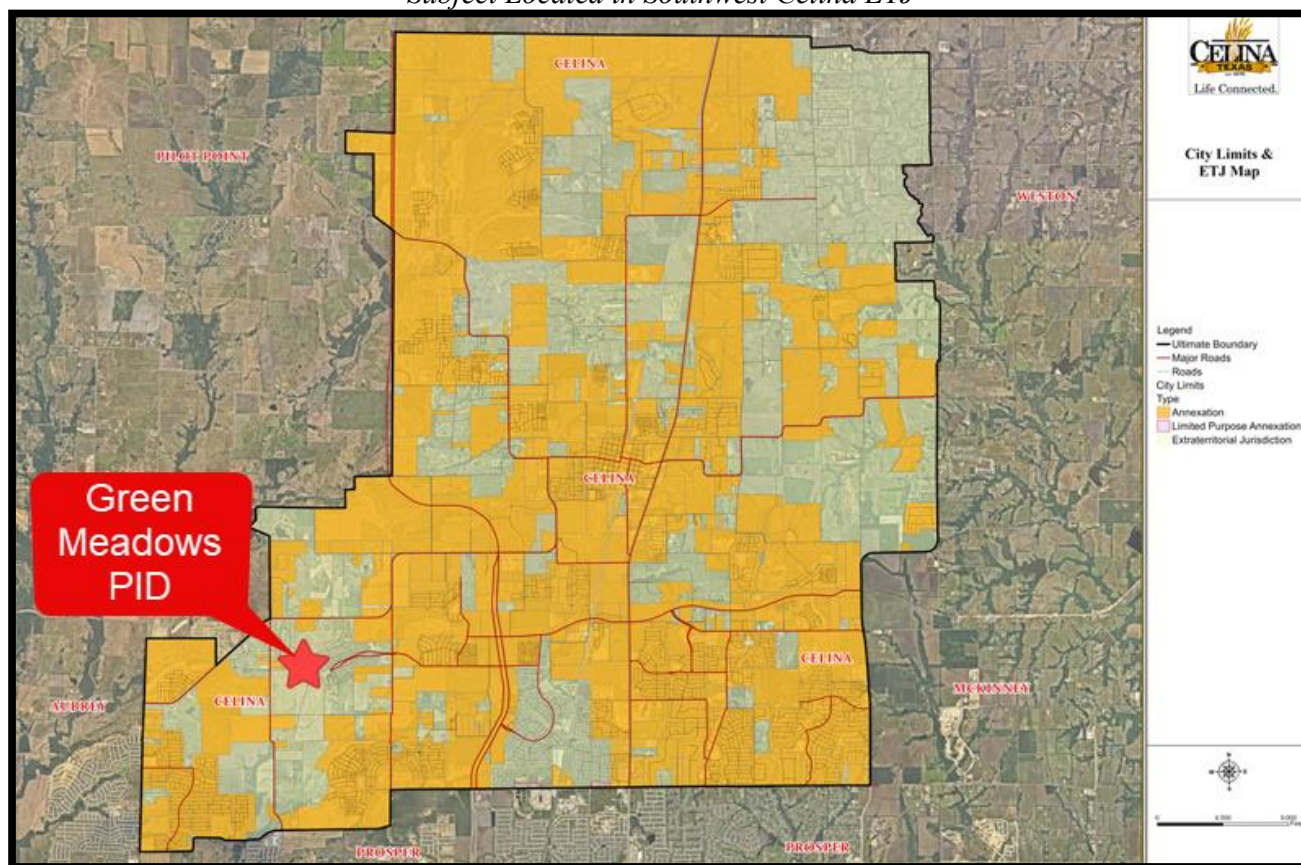


### CITY OF CELINA OVERVIEW

Celina, Texas, is a rapidly growing city located in the northern part of the Dallas-Fort Worth metropolitan area. Known for its small-town charm and rich history, Celina has experienced significant growth over the past few years, transforming from a rural community into a suburban hub. The city boasts a blend of traditional Texas heritage and modern amenities, with historic downtown Celina featuring unique shops, local restaurants, and community events. Agriculture has long been a key part of Celina's identity, and this is reflected in the annual Cajun Fest and other local festivals that celebrate the area's roots.

In recent years, Celina has seen a surge in residential and commercial development, attracting families and businesses looking for a blend of suburban comfort and rural tranquility. The city's excellent school district and wide-open spaces have made it an attractive destination for those seeking a balance between city life and the peacefulness of the countryside. With its proximity to major highways and the ongoing expansion of infrastructure, Celina is poised to continue its growth.

### MAP OF THE CITY OF CELINA Subject Located in Southwest Celina ETJ



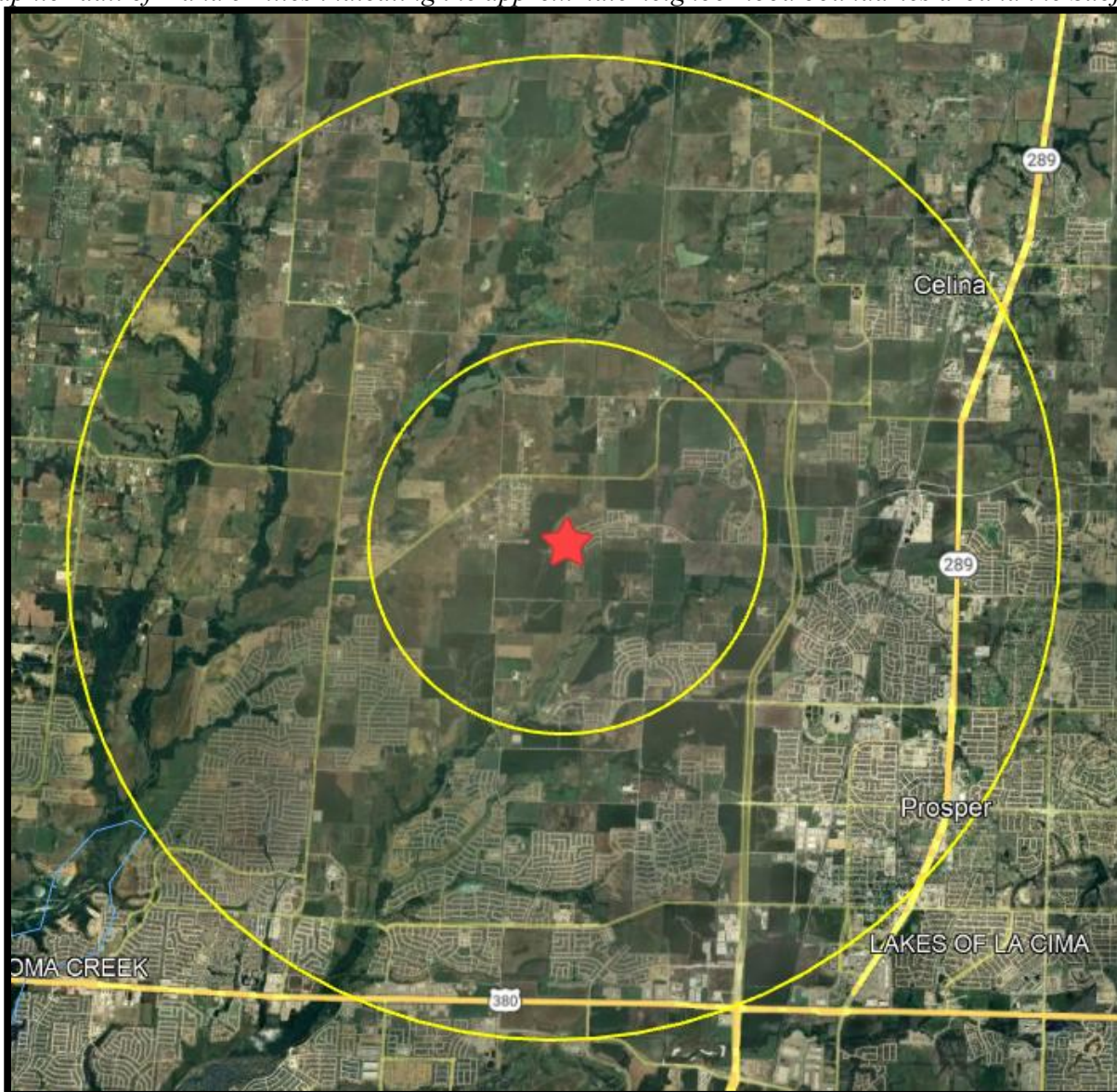


**NEIGHBORHOOD ANALYSIS**

A neighborhood may be defined as a section of a community or an entire community. It refers to relatively unified areas with definite boundaries which exhibit a fairly high degree of homogeneous uses – basically a group of complimentary land uses that exhibit a greater degree of commonality than the larger area. The boundaries of a neighborhood define the geographical area which exerts influence on the value of the subject property. The Green Meadows PID is located within Denton County, Texas and is within the Celina ISD and Prosper ISD.

**NEIGHBORHOOD MAP**

*Geographic radii of 2 and 5 miles indicating the approximate neighborhood boundaries around the Subject*



	<b>2 Miles</b>	<b>5 Miles</b>
<b>North</b>	Mobberly Road	Riley Road
<b>East</b>	County Road 50	County Road 83
<b>South</b>	Parvin Road	US Highway 380
<b>West</b>	Farm-to-Market 1385	County Road 2931


### NEIGHBORHOOD DEMOGRAPHICS

The subject is located in census tract 0201.29 with the census report shown on the following page. The census tract report for 0201.29 indicates 4,232 people reside in the tract and income levels are in the middle tier with estimated median family incomes of \$111,624. Within census tract 0201.29, approximately 74% of housing units are owner-occupied with 12% being renter-occupied and 14% being vacant. These housing and demographic statistics indicate middle class residents who tend to live in 20–40-year-old single-family homes.

Census Tract 0201.29 Map



**Tract 0201.29 Census Report**

	
<b>2024 FFIEC Geocode Census Report</b>	
Address: Selected Tract	
MSA: 19124 - DALLAS-PLANO-IRVING, TX	
State: 48 -	
County: 121 - DENTON COUNTY	
Tract Code: 0201.29	
<b>Summary Census Demographic Information</b>	
Tract Income Level	Middle
Underserved or Distressed Tract	No
2024 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$110,300
2024 Estimated Tract Median Family Income	\$111,624
2020 Tract Median Family Income	\$89,375
Tract Median Family Income %	101.20
Tract Population	4232
Owner-Occupied Units	676
1- to 4- Family Units	915
<b>Census Income Information</b>	
Tract Income Level	Middle
2020 MSA/MD/statewide non-MSA/MD Median Family Income	\$88,315
2024 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$110,300
% below Poverty Line	11.16
Tract Median Family Income %	101.20
2020 Tract Median Family Income	\$89,375
2024 Estimated Tract Median Family Income	\$111,624
2020 Tract Median Household Income	\$89,219
<b>Census Population Information</b>	
Tract Population	4232
Number of Families	520
Number of Households	787
<b>Census Housing Information</b>	
Total Housing Units	915
1- to 4- Family Units	915
Median House Age (Years)	20
Owner-Occupied Units	676
Renter Occupied Units	111
Owner Occupied 1- to 4- Family Units	676
Inside Principal City?	NO
Vacant Units	128

**DEMOGRAPHIC SUMMARY**

Analytics from CoStar of the area is provided below. Within a 10-mile radius of the subject there are over 319,000 people, which represents an 8.4% annual increase in population since 2010 and highlights marginal growth that has occurred in this portion of the DFW Metroplex. The population growth is expected to continue at this pace in coming years and grow another 2.9% in the next five years. Median household incomes in the 10-mile radius are over \$132,000.

Population			
	2 mile	5 mile	10 mile
2010 Population	435	11,764	152,499
2023 Population	2,846	50,007	319,362
2028 Population Projection	3,374	58,773	365,312
Annual Growth 2010-2023	42.6%	25.0%	8.4%
Annual Growth 2023-2028	3.7%	3.5%	2.9%
Median Age	39.4	36.3	36.1
Bachelor's Degree or Higher	48%	48%	51%
U.S. Armed Forces	4	52	159

Income			
	2 mile	5 mile	10 mile
Avg Household Income	\$185,177	\$173,571	\$157,816
Median Household Income	\$166,329	\$150,021	\$132,244
< \$25,000	30	443	4,469
\$25,000 - 50,000	74	978	8,384
\$50,000 - 75,000	62	1,482	11,190
\$75,000 - 100,000	41	1,196	11,497
\$100,000 - 125,000	105	2,494	15,198
\$125,000 - 150,000	108	2,082	11,905
\$150,000 - 200,000	222	3,579	18,588
\$200,000+	343	5,099	27,144



**EMPLOYMENT DATA**

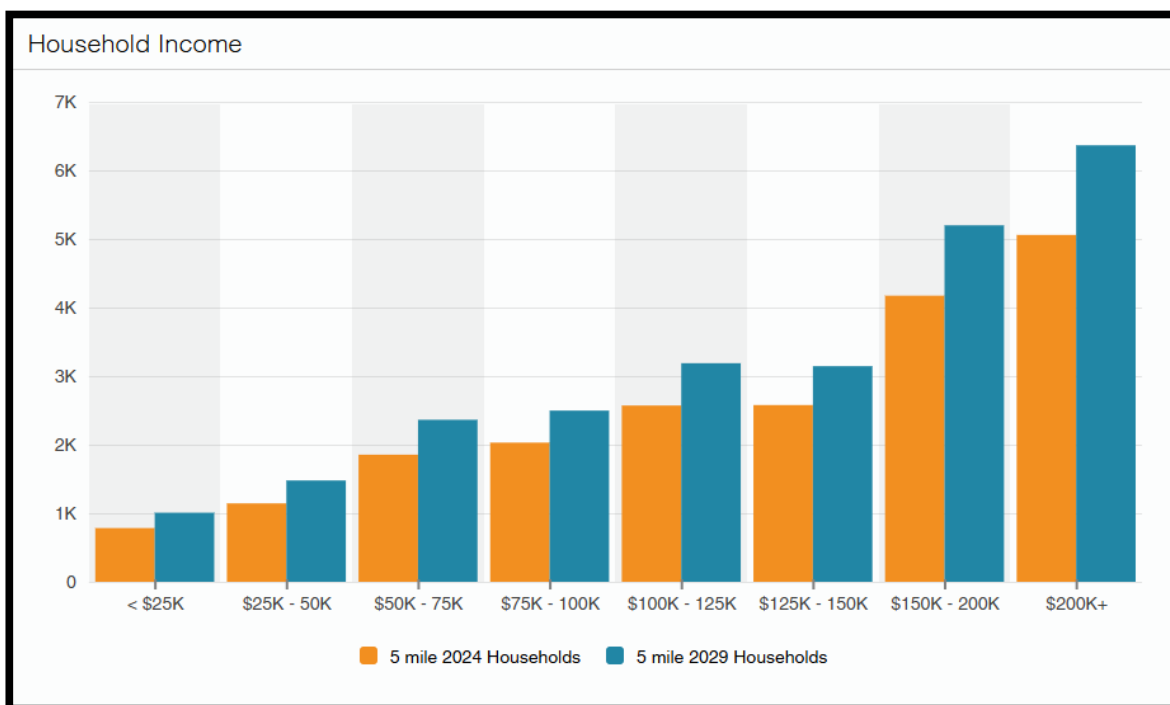
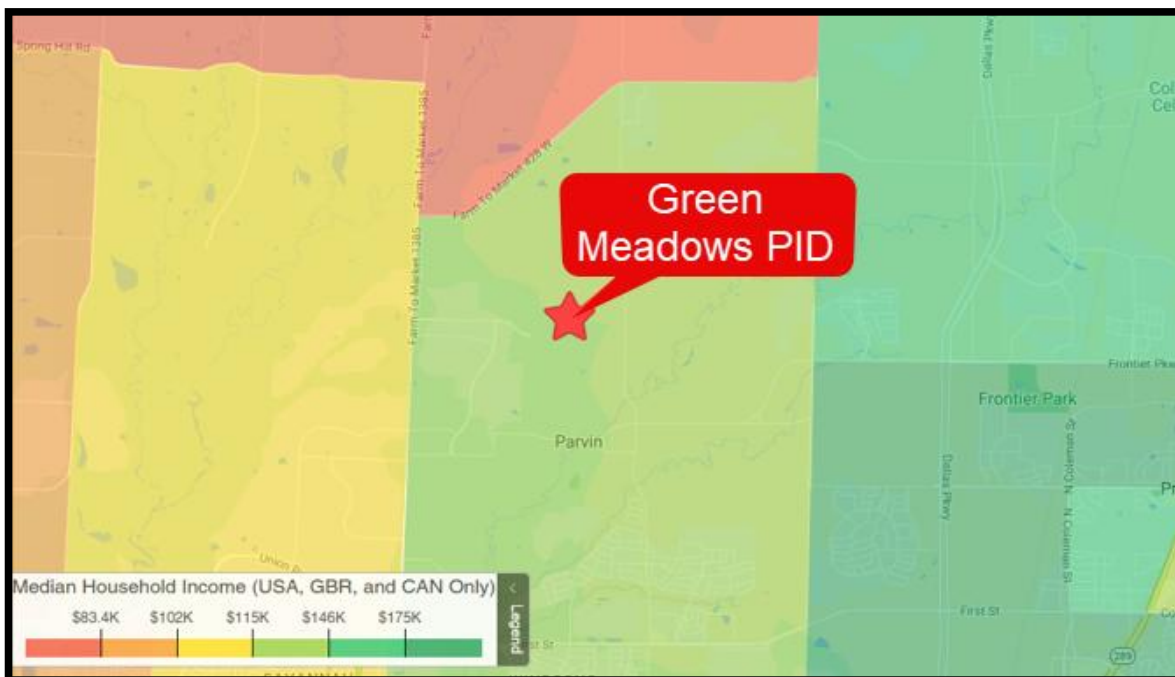
A table of the 2, 5, and 10-mile radius employment figures are shown below. The numbers highlight the area’s diverse economy with more employees in the area surrounding the subject in service-producing industries and goods-producing industries.

Daytime Employment						
Radius	2 mile		5 mile		10 mile	
	Employees	Businesses	Employees	Businesses	Employees	Businesses
<b>Service-Producing Industries</b>	<b>77</b>	<b>12</b>	<b>7,733</b>	<b>1,171</b>	<b>51,119</b>	<b>7,235</b>
Trade Transportation & Utilit...	8	1	1,310	182	8,076	1,024
Information	0	0	86	17	1,018	121
Financial Activities	8	3	1,075	176	4,736	955
Professional & Business Se...	12	2	606	149	4,965	1,042
Education & Health Services	42	3	2,344	399	14,641	2,339
Leisure & Hospitality	2	1	1,394	114	10,806	853
Other Services	5	2	471	122	3,982	843
Public Administration	0	0	447	12	2,895	58
<b>Goods-Producing Industries</b>	<b>13</b>	<b>6</b>	<b>593</b>	<b>172</b>	<b>5,539</b>	<b>940</b>
Natural Resources & Mining	0	0	41	12	294	64
Construction	13	6	419	136	3,466	696
Manufacturing	0	0	133	24	1,779	180
<b>Total</b>	<b>90</b>	<b>18</b>	<b>8,326</b>	<b>1,343</b>	<b>56,658</b>	<b>8,175</b>

Green Meadows Public Improvement District

**CoStar Analytics – Map of Median Household Income**

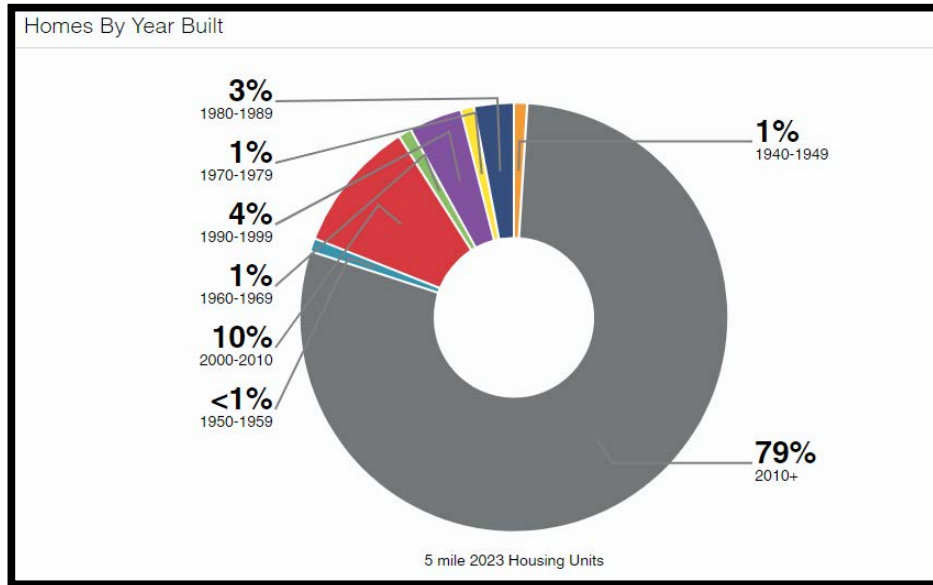
As indicated by the map below, median incomes in the vicinity of the subject property are around \$115k-\$146k. Median incomes in the DFW tend to be higher in suburban areas outside the population centers in Dallas, Fort Worth, and Denton. This is especially true in areas north of Fort Worth where affluent communities have concentrated for the past few decades.





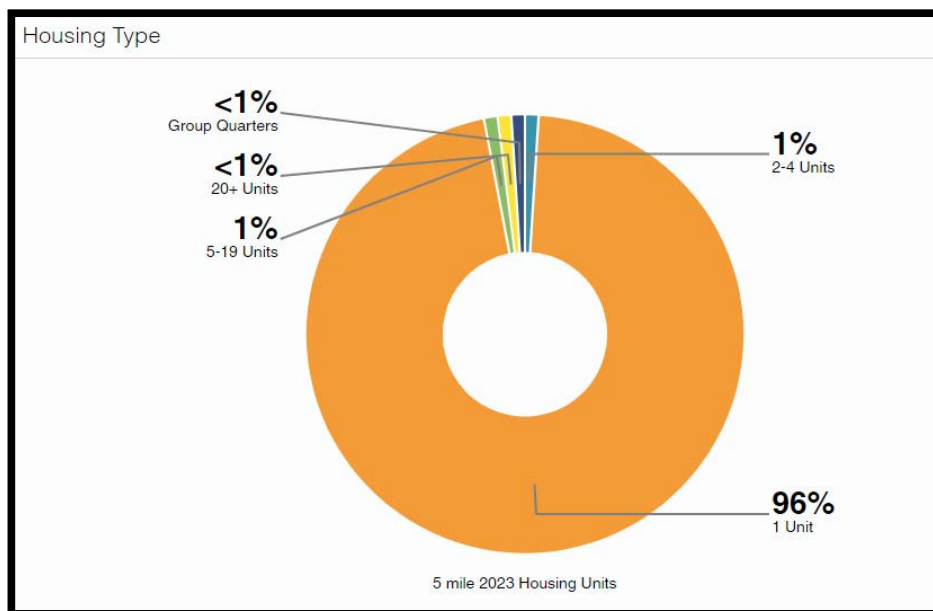
### CoStar Analytics – Housing Statistics

Most housing in the area (79%) are homes that were built after 2010. This is subject to change with the projected growth stage of the surrounding area, which has experienced numerous residential subdivision developments in recent years.



### CoStar Analytics – Housing Statistics

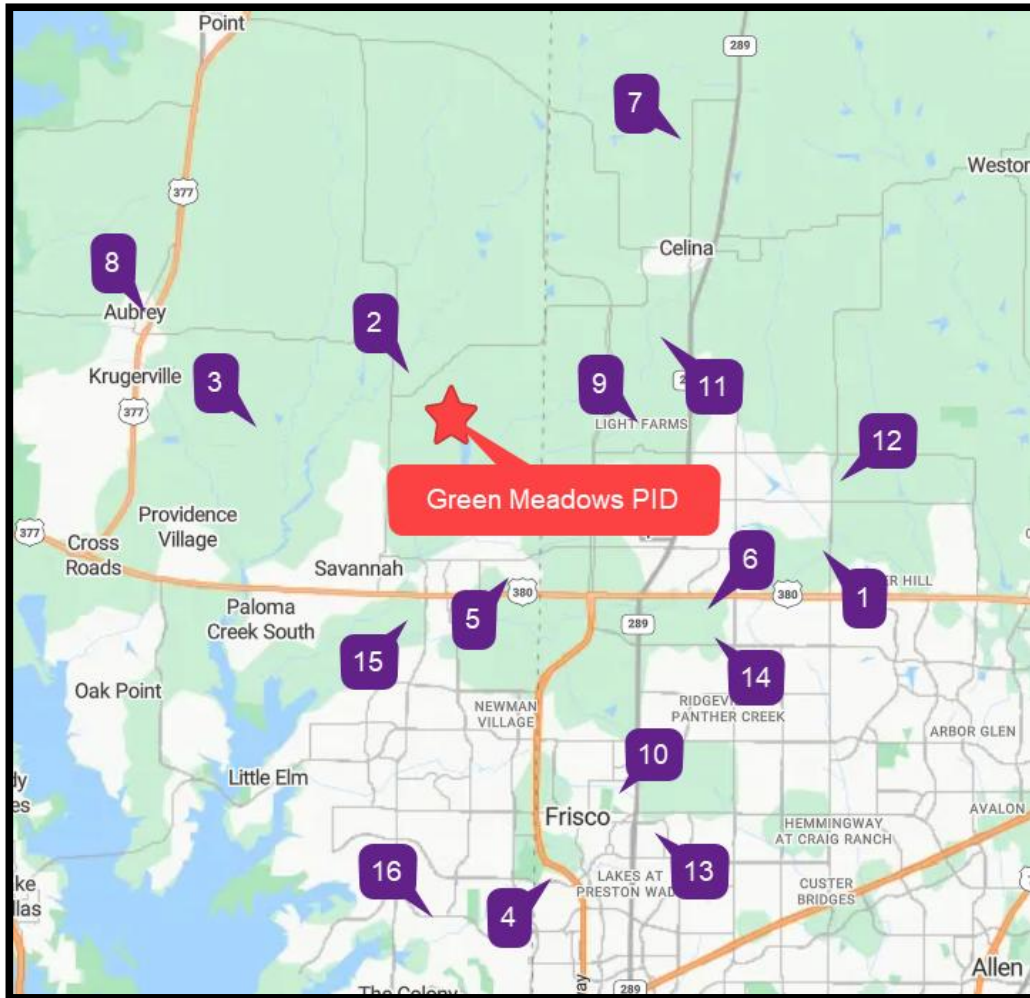
In addition, the vast majority (96%) of housing in the 5-mile radius consists of single unit housing stock. The subject property is being developed with detached single-family housing that is consistent with the surrounding area.



*Green Meadows Public Improvement District*

**Map of Notable Nearby Developing Residential Subdivisions**

A map of notable built-out, developing, and planning single-family residential subdivision is shown below which highlights the similar and conforming uses around the subject property.



<b>MAP KEY</b>			
1	Ladera Propser	10	Creeside Village (Frisco)
2	Edgewood Creek	11	Greenway (Celina)
3	Woodstone (Providence Village)	12	North Creek (McKinney)
4	WyndSOR Pointe	13	Meadows of Preston
5	Villages at Legacy/Greens	14	Collinsbrook Farm
6	Dove Creek (Frisco)	15	Estates at Rockhill
7	North Sky Celina	16	Silverleaf (Frisco)
8	DeMoye-Magnolia Addition		
9	Light Farms/Hazel		

## **ABSORPTION ANALYSIS**

### **RESIDENTIAL ANALYSIS**

The subject property is Green Meadows PID which consists of a total of approximately 849.308 acres in Denton County being developed into detached single-family lots for residential use. The property is being developed by Green Meadows Community, Inc. and is owned by OPP-Green Meadows LP.

When analyzing the financially feasible and maximally productive use of the site, uses that are both physically possible and legally permissible must be considered. An important factor affecting the development of the subject is the surrounding land usage. For the subject property, the primary potential use is single-family residential development as that conforms to recent land development in the surrounding area around Denton County. The neighborhood is best described as the area on the south side of West Farm to Market 428, east side of Farm to Market 1385, west side of South Legacy Drive, and north side of Parvin Road. The neighborhood is predominantly recently developed or developing single-family residential subdivisions to the west and to the south, vacant land and residential development to the east, and residential development to the north. Approximately 3.5 miles east of the subject property, south Dallas Parkway which runs north/south, and several community commercial uses are located on this arterial traffic carrier.

Since the recession in 2008, the residential real estate market in this area of North Texas has continuously improved and Denton County has had consistent population growth. Low interest rates persisted nationally in 2020 and 2021, and the markets rose significantly, but 2022 and 2023 were the years of higher interest rates as the Fed seeks to combat inflation. Still, with large numbers of in-migration from outside DFW from higher cost-of-living states and an abundance of steady jobs, demand for residential real estate in growing communities like Denton County is expected to remain strong. Those end-user homebuyers in Green Meadows PID are expected to be in the middle-to upper-income earners as the average home price for finished single-family homes in the community is expected to be \$501,000 for the 40-FF lots, \$591,000 to \$650,000 for the 50-FF lots, \$685,000 to \$780,000 for the 60-FF lots, and \$735,000 to \$910,000 for the 70-FF lots.

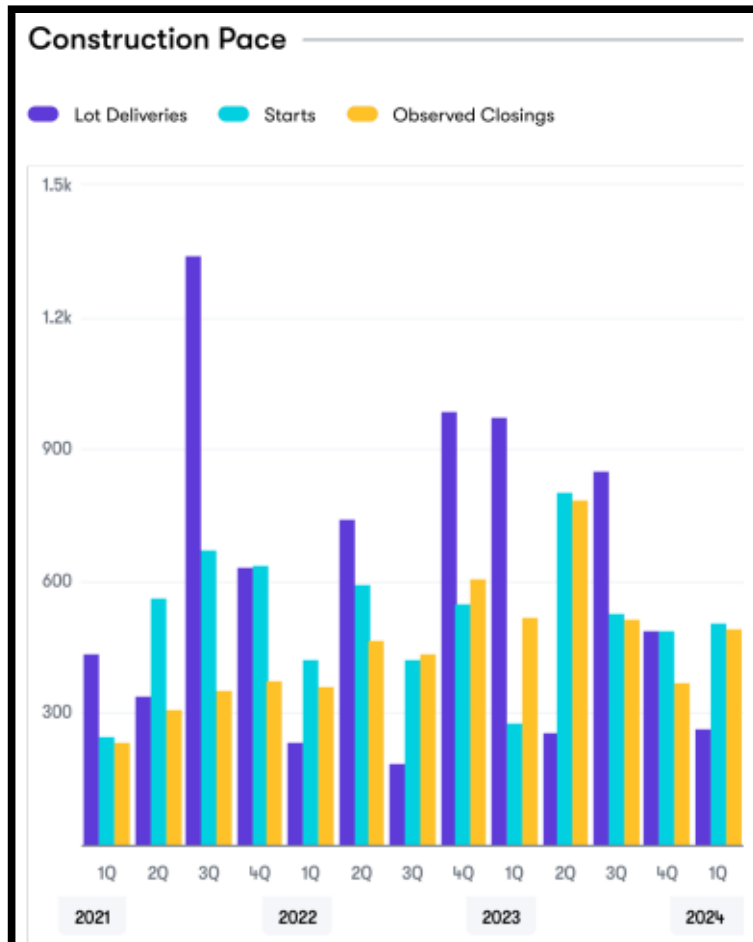
Demand for vacant developed lots (VDLs) for home builders is currently very high; however, material and labor shortages were well-publicized in 2021 and are expected to continue with some easing in late-2022 and in 2023 according to the Texas Real Estate Research Center. Developable residential land in DFW with good access to Fort Worth and Dallas is in high demand with developments moving ever further away from the Fort Worth and Dallas CBD and highly developed areas north of Fort Worth and Dallas where vacant land is scarce after decades of growth. The subject property –Green Meadows PID– is removed from the large Central Business Districts in the Metroplex but relatively near areas of Denton County where many young families have migrated when searching for safe neighborhoods, good schools, relatively affordable new homes, and desirable residential amenities.

Based on the preceding, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Zonda as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends and current available data. Since the first residential lots are not scheduled to be complete until May 2025, we will analyze the historical trends and attempt to forecast the absorption rates based off data, analytics, and our conversations with developers in the market.

We determined a 10-mile radius around the subject property is suitable for our absorption analysis as the competitive supply of lots is within this area. Further, we examined residential communities with lot widths between 40'-70'.

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The following chart reflects starts, deliveries, and closings in the market area from 1Q2021. Sales were steadily increasing from 1Q2021-2Q2023, then rapidly decreased in 3Q2023, then remained somewhat steady till 1Q2024. The rate of annual starts has stayed between 300 and 900 in the past year as homebuilders anticipated increased demand due to the feds' discussion and action on reducing the interest rate by half a point. The area has also stayed consistent in the rate of closings as reflected in the numbers reported by Zonda.

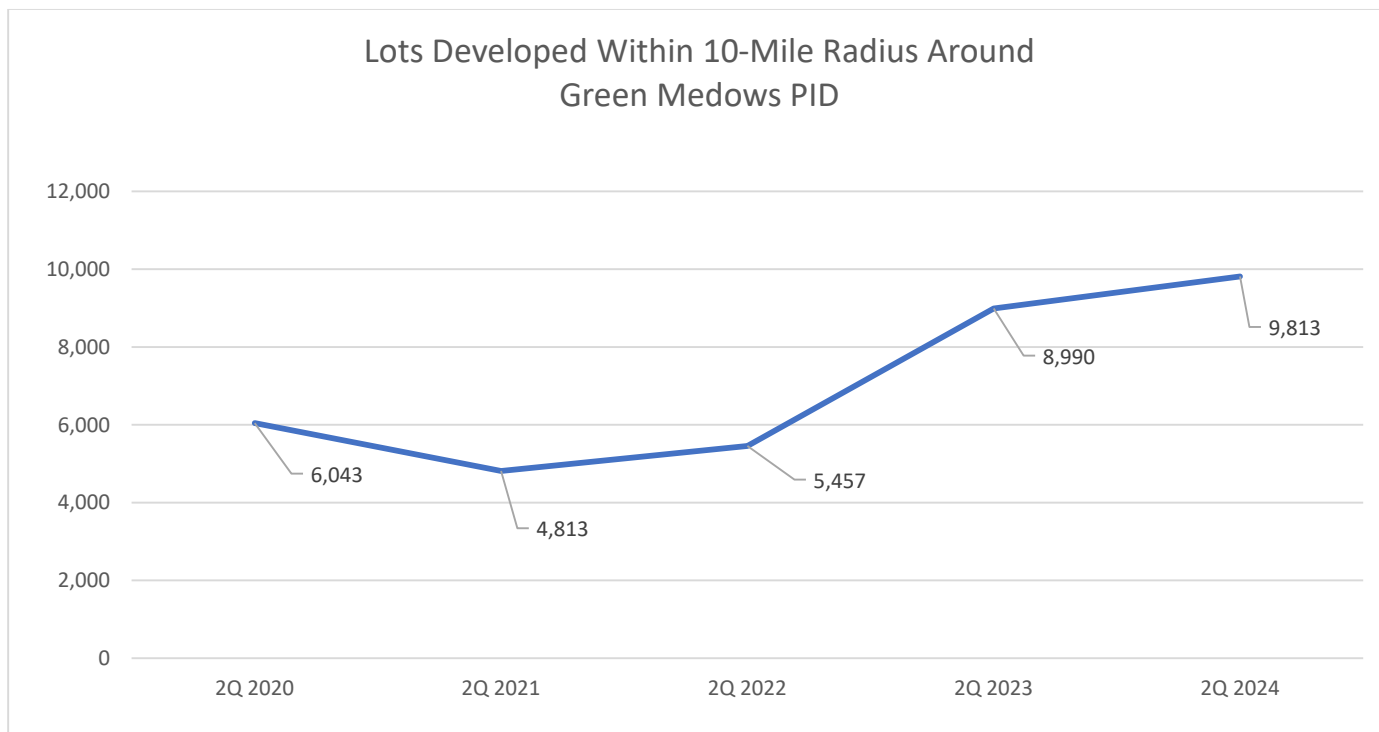


**DEFINED SUBMARKET AREA**

As shown in the previous chart, the absorption of lots (determined from home construction starts) within the selected area was stable yet slightly increased from 1Q2021 to 4Q2022, then slightly dipped in 1Q2023 before increasing in the 2Q2023 before decreasing from 3Q2023-4Q2023 followed by an increase in 1Q2024. According to Zonda, the selected area absorbed the following number of 40’-70’ lots year-over-year from 2Q2020 to 2Q2024:

- 2Q2020 – 6,043 lots absorbed
- 2Q2021 – 4,813 lots absorbed
- 2Q2022 – 5,457 lots absorbed
- 2Q2023 – 8,990 lots absorbed
- 2Q2024 – 9,813 lots absorbed

From 2020-2024, the *annual average* of lots absorbed was 7,023. Utilizing the more recent 24-month absorption of lots (2Q2023 to 2Q2024), the annual average of lots absorbed increased to 9,402 lots in the area.

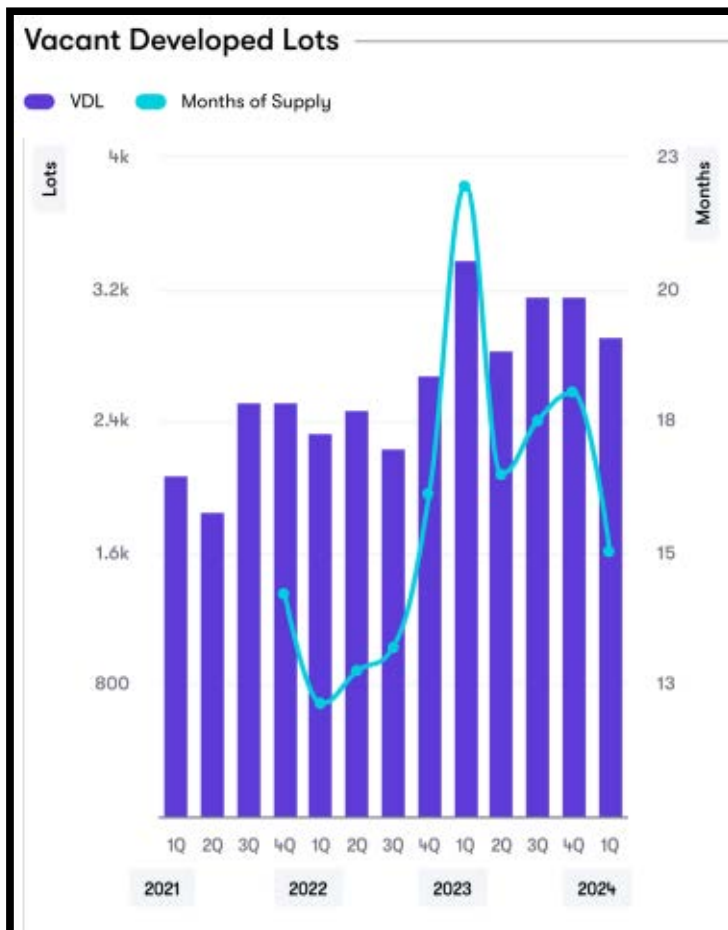


**COMPETITIVE SUPPLY (LOT INVENTORY)**

According to Zonda, the existing supply of available housing is presently far below balanced levels in our selected submarket as the number of VDLs in the area has trended higher since 2Q2021 from a low of 4,813 to ***a present VDL count of 9,813 with a ~15-month supply.*** It should be noted that this is a large radius – 10 miles – for such a developed single-family residential area but we determined prospective buyers would search subdivisions throughout Denton County with a preference to be near the I-35 and 380 Corridor which serves as a major thoroughfare and has numerous newer master-planned communities and desirable commercial options.

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Thus, the total lot supply is considered to be considerably **below** the ideal supply levels for a significantly developing market. Also, taking into consideration that new developments require a typical 12-to-18-month construction period, *with increasing demand and declining lot supply, it appears that additional lot product in the submarket is feasible and needed at the current time.* This corresponds to discussions we had with DFW homebuilders who state there is a scarcity of vacant developed lots currently on the market which is pushing prices higher.



*Note: A threat to the pace of lot development is multiple interest rate increases the Federal Reserve enacted as a reaction to rising inflation. These interest rate increases were conducted to combat inflation and cool the hot markets; however, the effect for residential housing may be to price first-time buyers out of the single-family residential market. Supply chain issues stemming back to the COVID-19 Pandemic have also increased development costs which may limit starts on the vacant developed lots thus leading to lower VDL and future home supply, thus increasing home prices. In general, we believe the diverse local economy, strong in-migration, and relative stability of the North Texas real estate market will serve to smooth out more global economic trends.*

Having considered the supply of lots in the market, it is now prudent to examine the absorption history of specific competing subdivisions in the subject’s market area with similar lot features and amenities relative to the subject to determine the projected absorption of the subject’s proposed lots.

**ABSORPTION ANALYSIS – 50’, 60’ AND 70’ LOTS**

The similarities considered to be most important are lot size, home price range, and amenity features. The tables that follow detail the active subdivisions that are considered to compete with the subject’s lots. All data is per Zonda as of 2Q2024.

**50’ Lots**

We included data for lots that were each 50’-55’ lots within a 10-mile radius. Since data on 50’-55’ lots is relatively plentiful, we selected 4 comparable absorption schedules at nearby communities we concluded are similar to the subject and considered some of these communities are smaller and some larger than Green Meadows PID.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Ladera Propser	50'	34	18	12	22.7	1.5
Edgewood Creek	50'	65	175	12	4.5	14.6
Woodstone (Providence Village)	50'-55'	112	93	12	14.5	7.8
WyndSOR Pointe	55'	0	11	12	0.0	0.9
<b>AVERAGE</b>		<b>52.8</b>	<b>74.3</b>	<b>12.0</b>	<b>10.4</b>	<b>6.2</b>

Our analysis indicates Starts/Month is between 0.9 and 14.6 with an average of 6.2 starts/month and a median of 4.6 starts/month. We similarly weighed and considered **the subject property’s 50’ lots would likely absorb 6 lots/month, or approximately 18 lots per quarter.**

**60’ Lots**

Again, for the 60’ lots, we included data for lots within a 10-mile radius and included 55’-65’ lots in our analysis. Data on 60’ lots is still relatively plentiful, so we selected ten comparable absorption schedules at nearby communities which are shown on the following chart:

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Villages at Legacy/Greens	55'-65'	0	11	12	0.0	0.9
Dove Creek (Frisco)	55'-65'	0	9	12	0.0	0.8
WyndSOR Pointe	55'	1	3	12	4.0	0.3
North Sky Celina	55'-65'	317	3	12	1268.0	0.3
DeMoye-Magnolia Addition	60'	2	3	12	8.0	0.3
Light Farms/Hazel	60'	0	20	12	0.0	1.7
Creekside Village (Frisco)	60'	6	3	12	24.0	0.3
Greenway (Celina)	60'	32	54	12	7.1	4.5
North Creek (McKinney)	60'	0	63	12	0.0	5.3
Meadows of Preston	65'	3	2	12	18.0	0.2
<b>AVERAGE</b>		<b>36.1</b>	<b>17.1</b>	<b>12.0</b>	<b>132.9</b>	<b>1.4</b>

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Our analysis indicates Starts/Month is between 0.2 and 5.3 with an average of 1.4 starts/month with a median of 0.5 starts/month. We weighted and considered developments within closer proximity and similarity and determined **the subject property's 60' lots would likely absorb 4 lots/month, or approximately 12 lots per quarter.**

**70' Lots**

Again, for the 70' lots, we included data for lots within a 10-mile radius and included 64'-74' lots in our analysis. Data on 70' lots is somewhat limited, so we selected four comparable absorption schedules at nearby communities which are shown below:

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Collinsbrook Farm	64'-74'	17	64	12	3.2	<b>5.3</b>
Estates at Rockhill	65'-74'	58	44	12	15.8	<b>3.7</b>
Meadows of Preston	65'	3	2	12	18.0	<b>0.2</b>
Silverleaf (Frisco)	74'	37	24	12	18.5	<b>2.0</b>
<b>AVERAGE</b>		<b>28.8</b>	<b>33.5</b>	<b>12.0</b>	<b>13.9</b>	<b>2.8</b>

Our analysis indicates Starts/Month is between 0.2 and 5.3 with an average of 2.8 starts/month with a median of 2.8 starts/month. We weighted and considered developments within closer proximity and similarity and determined **the subject property's 70' lots would likely absorb 4 lots/month, or approximately 12 lots per quarter.**

**Absorption Summary Projection: 50', 60' and 70' Lots**

Based on the preceding, we estimate that lots in the subject property's development will sell 18 lots/quarter for 50' lots, 12 lots/quarter for 60' lots, and 12 lots/quarter for 70' lots with absorption beginning July 1, 2026 for IA K1. An Absorption Summary Projection for all lot types is shown in the table below for the lots in Green Meadows PID IA K1.

Projected Quarterly Absorption Summary - Green Meadows PID IA K1 Lots									
Lot Type	Jul-2026	Oct-2026	Jan-2027	Apr-2027	Jul-2027	Oct-2027	Jan-2028	Apr-2028	TOTAL
50-FF	18	18	1	-	-	-	-	-	<b>37</b>
60-FF	12	12	11	-	-	-	-	-	<b>35</b>
70-FF	12	12	3	-	-	-	-	-	<b>27</b>
<b>Total</b>	<b>42</b>	<b>42</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	



**SUBJECT PROPERTY ANALYSIS**

The entire development of Green Meadows PID represents a total of approximately 849.308 acres (36,995,856-SF) is currently being developed into multiple distinct areas. However, the focus of our appraisal is on two distinct areas as follows:

- IA #1 within Green Meadows PID will consist of 748 detached residential improved lots on approximately 206.271 acres. The improved lots are broken down into four improvement areas as follows:
  - IA G1A: 78 lots with 50-foot frontages, (FF), 55 lots with 60-FF, and 73 lots with 70-FF
  - IA G1B: 78 lots with 50-FF, 73 lots with 60-FF, and 28 lots with 70-FF
  - IA P1: 128 lots with 50-FF, 69 lots with 60-FF, and 67 lots with 70-FF
  - IA K1: 37 lots with 50-FF, 35 lots with 60-FF, and 27 lots with 70-FF
- The Remainder Area Residential Paper Lots will include 1,826 detached residential paper lots of various sizes on approximately 643.029 acres within the RA. The improved lots are as follows for the RA:
  - 117 lots with 40-FF,
  - 695 lots with 50-FF,
  - 628 lots with 60-FF, and
  - 386 lots with 70-FF

The following chart shows the distinct areas of Green Meadows PID, which is the focus of our appraisal.

Green Meadows PID - Lot Sizes and Count						
Area Type	Size (Acres)	40' Lot Type	50' Lot Type	60' Lot Type	70' Lot Type	Total Lots Appraised
IA G1A	66.513	0	78	55	73	206
IA G1B	51.744	0	78	73	28	179
IA P1	63.398	0	128	69	67	264
IA K1	24.616	0	37	35	27	99
Remainder Area Paper Lots	643.029	117	695	628	386	1,826
<b>Total Lots at Green Meadows PID</b>						<b>2574</b>

Green Meadows PID is owned by OPP-Green Meadows LP which is an affiliate of Green Meadows Community, Inc. Green Meadows PID is located in the northeast portion of Denton County. The area surrounding the subject property is a mix of commercial and residential uses and has been developed with large master-planned communities that are generally suitable for middle- to upper-income households.

Access to the subject property is considered average as it is located north of Parvin Road, south of Farm To Market 428 West, with Smiley Road running north to south through the development. Generally, the main retail and commercial options near the subject site are found along US Highway 380 or Dallas Parkway which has been rapidly developing with a number of master-planned communities in the past decade.

Though the appraisers have not been notified of such an entity, it is common for the developer to create a mandatory homeowner’s association (HOA) over residential portions of the subject property in order to maintain the open spaces, common areas, detention areas, and other related improvements or appurtenances that are not dedicated or maintained by Denton County.

Based on research and discussion with the development team, the price point of homes in the subject’s community is expected to be \$501,000 for the 40-FF lots, \$591,000 to \$650,000 for the 50-FF lots, \$685,000 to \$780,000 for

*Green Meadows Public Improvement District*

the 60-FF lots, and \$735,000 to \$910,000 for the 70-FF lots, which should be a desirable price point for young families and first and second time homebuyers looking for a quiet community outside a major city such as Denton but with the amenities of a planned residential community.

We were provided with the following tables of budgeted costs for the Green Meadows PID:

Green Meadows Infrastructure Cost Summary								Totals
	Part 1 Project 1, 2, 3 & 5 Grading	Part 2 Project 1 Doe Barnch Tributary	Part 3 Project 2 N Major Improvements	Part 4 Project 3 S Major Improvements	Part 5 Project 4 NcNabb/Carey/Crutfield/Water	Part 6 Project 5 Model Home Park Improvements		
<b>PUBLIC COSTS</b>								
Earthwork	\$ 4,716,473.50							\$ 4,716,473.50
Drainage		\$ 7,465,192.75	\$ 959,102.00	\$ 1,277,784.00		\$ 287,072.00		\$ 9,989,150.75
Water		\$ 10,948.50	\$ 1,416,089.00	\$ 1,104,534.50	\$ 1,756,592.50		\$ 253,919.50	\$ 4,542,084.00
Sanitary Sewer			\$ 1,179,930.00				\$ 304,125.00	\$ 1,484,055.00
Paving			\$ 4,243,964.53	\$ 2,063,212.01			\$ 674,557.80	\$ 6,981,734.14
Pavement Markings & Signs			\$ 395,055.00	\$ 52,166.00			\$ 22,200.00	\$ 469,421.00
Erosion Control	\$ 152,495.40	\$ 51,854.10	\$ 55,676.70	\$ 56,211.60	\$ 68,435.34		\$ 39,324.00	\$ 423,997.14
<b>Public Infrastructure Bid Totals</b>	<b>\$ 4,868,968.90</b>	<b>\$ 7,527,995.35</b>	<b>\$ 8,249,817.23</b>	<b>\$ 4,553,906.11</b>	<b>\$ 1,825,027.84</b>	<b>\$ 1,581,198.10</b>		<b>\$ 28,606,915.53</b>
<b>NON PID REIMBURSEMENT &amp; (MH Lots)</b>								
Earthwork	\$ 790,750.00							\$ 790,750.00
Drainage		\$ 3,078,067.25						\$ 3,078,067.25
Water						\$ 29,100.00		\$ 29,100.00
Sanitary Sewer						\$ 51,000.00		\$ 51,000.00
Paving								\$ -
Pavement Markings & Signs								\$ -
Erosion Control	\$ 119,762.00							\$ 119,762.00
<b>Non-PID Reimbursement Totals</b>	<b>\$ 910,512.00</b>	<b>\$ 3,078,067.25</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,100.00</b>		<b>\$ 4,068,679.25</b>
<b>Landscape and Irrigation Package</b>								<b>\$ 7,500,000.00</b>
<b>Construction Contingency</b>	<b>\$ 486,896.89</b>	<b>\$ 752,799.54</b>	<b>\$ 824,981.72</b>	<b>\$ 455,390.81</b>	<b>\$ 182,502.78</b>	<b>\$ 158,119.81</b>		<b>\$ 2,860,691.55</b>
<b>Soft Costs (Testing/Meters/Permit Fees, etc.)</b>								
BGE Inspection/Mgt Fees								\$ 1,607,023.79
Celina Permit/Inspection Fees								\$ 151,784.00
Mustang Utility								\$ 175,626.00
Alpha/UES								\$ 277,953.00
CoServ Electric								\$ 56,829.40
<b>Construction Management Fee</b>								<b>\$ 1,607,023.79</b>
<b>ROW</b>								<b>\$ 11,150,000.00</b>
<b>District Formation</b>								<b>\$ 5,200,000.00</b>
<b>Green Meadows Total</b>								<b>\$ 63,262,526.32</b>

The above-mentioned Budgeted Costs are provided by Weir and Associates. The figures shown in the previous table may be revised in Annual Service Plan Updates and may be reallocated between line items upon approval by the County so long as the total Authorized Improvements amount and the benefit allocation does not change.

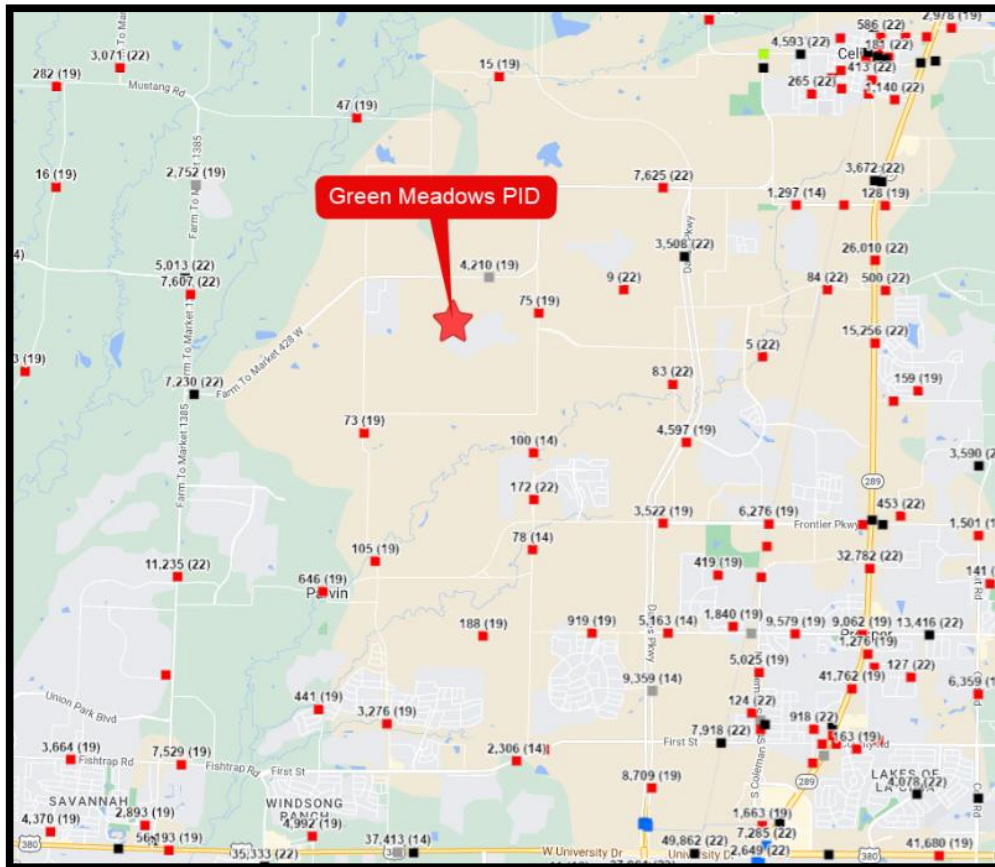
*The preceding general descriptions of the subject's characteristics are based on review of available maps and data sources, as well as our physical on-site observations. Please refer to copies of the maps, photographs, and renderings for a visual perspective of the subject's physical characteristics.*

**ACCESSIBILITY, FRONTAGE, AND STREETS**

The subject property is primarily accessed by Parvin Road and Farm to Market 428 West, which are arterial roads located on the north and south property line of the subject. The cities of Celina and Prosper are proposing to expand Parvin Road from a two-lane road to a four-lane divided road with an ultimate six lane divided road from FM-1385 to the Dallas Parkway South at the Dallas North Tollway in Denton and Collin Counties. The project extends Parvin Road from FM-1385 to Dallas Nort Tollway South.

A map below from TXDOT shows traffic counts near the subject property. US Highway 380, which is the east/west major throughfare reports over 37,000 average daily vehicles while Highway 289, which is east of the subject property reports just over 41,000 daily vehicles.

TXDOT Traffic Web Viewer



CoStar Traffic Analytics

Traffic			
Collection Street	Cross Street	Traffic Volume	Count Year
Smiley Rd	Carey Rd N	56	2022
Carey Rd	Smiley Rd W	42	2018
Co Rd 6	FM 428 N	67	2022
No Legacy Rd	Co Rd 6 N	130	2022
W FM 428	FM 428 E	2,046	2022
Farm-to-Market Road 428	FM 428 E	4,037	2020
Co Rd 6	No Legacy Rd S	130	2022
Crutchfield Dr	FM 1385 W	34	2018
Smiley Rd	Parvin Rd S	104	2022
FM 428	FM 1385 N	2,539	2022

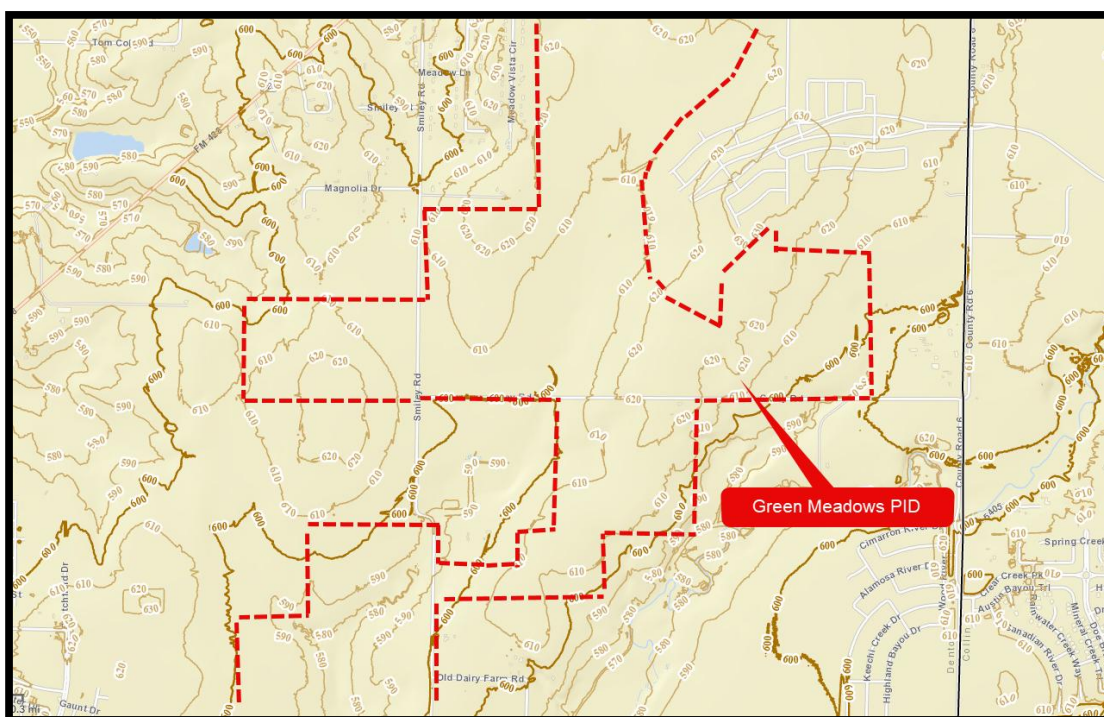
*Green Meadows Public Improvement District*

**TOPOGRAPHY**

The topography of the subject property is described as gently sloping from north to south. The property is mostly cleared throughout due to the agricultural use with a few pockets of treed areas as of the date of inspection, August 6, 2024. As of the substantial completion date, February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1; and February 1, 2026 for the Remainder Area, these topographic maps showing the contours will be slightly out of date as the site will be in the process of being improved for single-family lots with streets, storm sewer, and utilities in place.

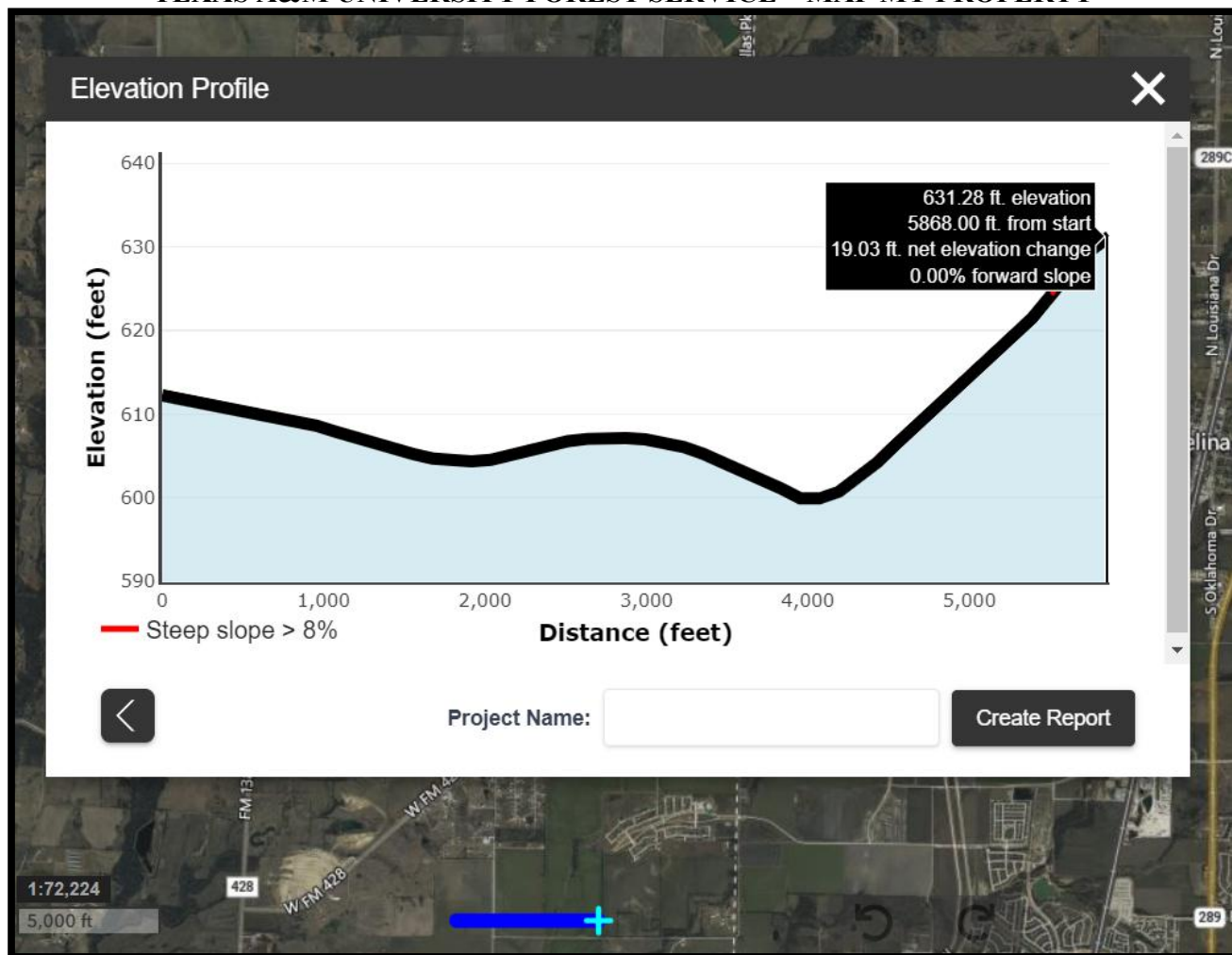
Topographic information is provided by the North Central Texas Council of Governments, and Texas A&M Forest Service. The map indicates 10' contour lines marked at 10' increments, showing that the site elevations are gently sloping.

**TOPOGRAPHIC MAP**  
*Contours At 10'; Bold at 100'*





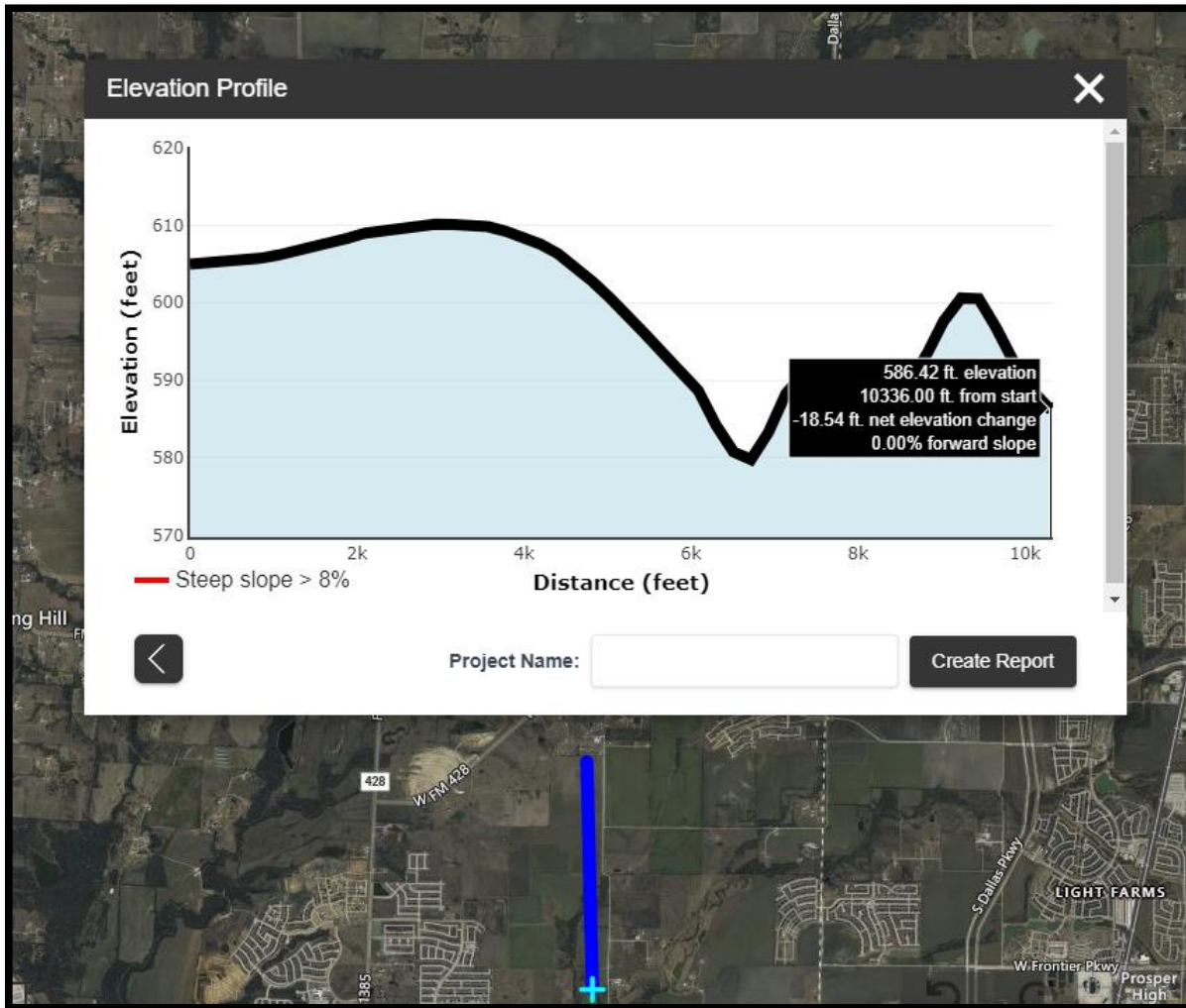
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY



**General Slope of the Property Moving from East to West**

- *Note that measurements are in feet*
- *Elevation profile is represented along illustrated axis*
- *Property slopes west to east with approximately 19.03 feet of variation over approximately 5,868 feet of run*

TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY



**General Slope of the Property Moving from North to South**

- *Note that measurements are in feet*
- *Elevation profile is represented along illustrated axis*
- *Property slopes north to south with approximately 18.54 feet of variation over approximately 10,336 feet of run*

**SOIL AND SUB-SOIL CONDITIONS**

No soil engineer's report was available to the appraisers and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement to be constructed. As of the report date the developer has excavation and earthwork underway. Our value conclusions are subject to revision should assumptions that land is stable prove incorrect. We caution and advise the user of this report to obtain engineering studies which may be required to ascertain any structural integrity.

**FEMA FLOOD ZONE**

Green Meadows PID is within Unshaded Zone X (outside the floodplain) and Zone A (within the 100-year floodplain) according to Map 48121C0290G, effective April 18, 2011. Per the provided Concept Plan, the improvements will be developed within Unshaded Zone X. Development within Unshaded Zone X does not appear to be detrimental to the development of the subject property. The areas within Zone A are undevelopable, however, those areas may provide areas of waterflow streams and ponds that may be aesthetically appealing in developed communities.

**FLOODPLAIN MAP**





*Green Meadows Public Improvement District*

**UTILITIES**

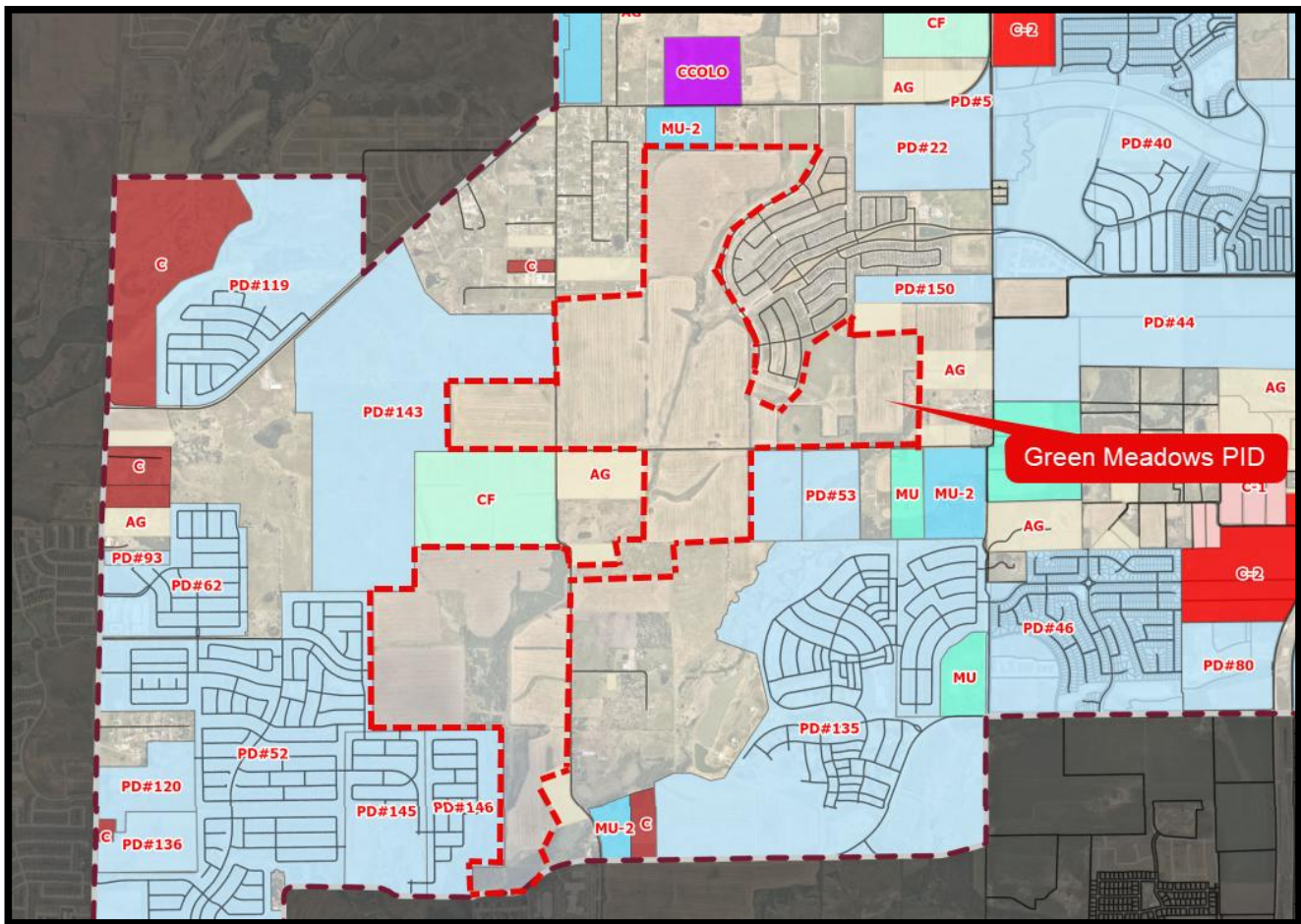
Electricity to the property will be maintained by Oncor and natural gas will be maintained by Atmos. Water and sewer will be provided Mustang SUD. Telephone, fiber-optic, and internet are available through AT&T, Spectrum, T-Mobile, Optimum, and Nextlink.

**EASEMENTS/ENCROACHMENTS**

Based on our physical site visit, and review of available maps of the surrounding area, it is reasonable to suspect that there are typical setbacks and easements that exist on the property which will be approved by Denton County. Per the appraisers site visit, there is a powerline easement that transverses through the Remainder Area within the Green Meadows PID in the southwest quadrant of the subject. The appraisers assume the property is free from any other detrimental easements or encroachments and specifically reserves the right to alter the conclusion of this analysis should a survey be provided that indicates detrimental easements or encroachments.

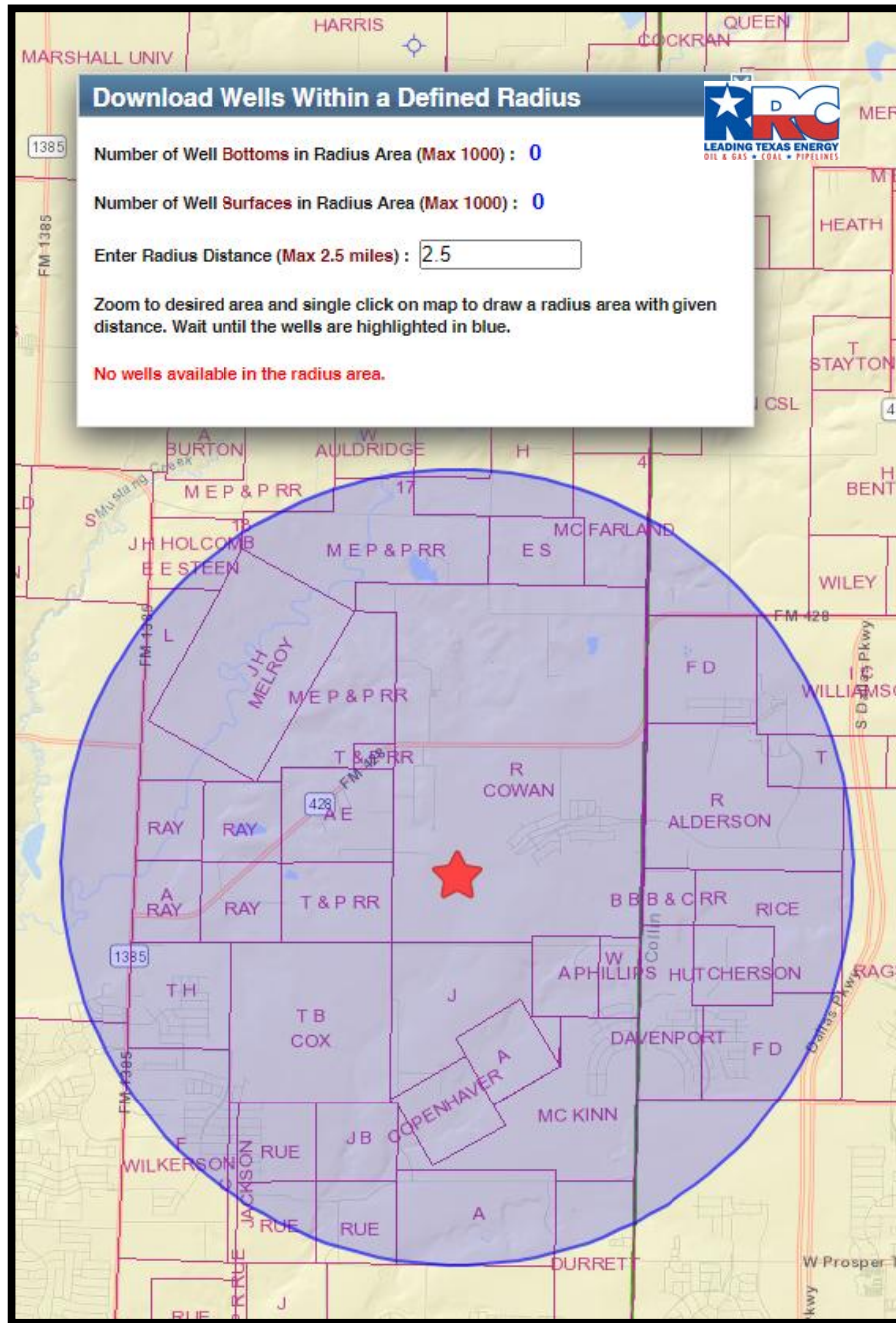
**ZONING AND RESTRICTIONS**

Per Denton County, Green Meadows PID is located in Denton County outside of the city limits of Celina and is zoned Agriculture with a Development Agreement with the City of Celina. The development agreement gives the subject property entitlement rights.



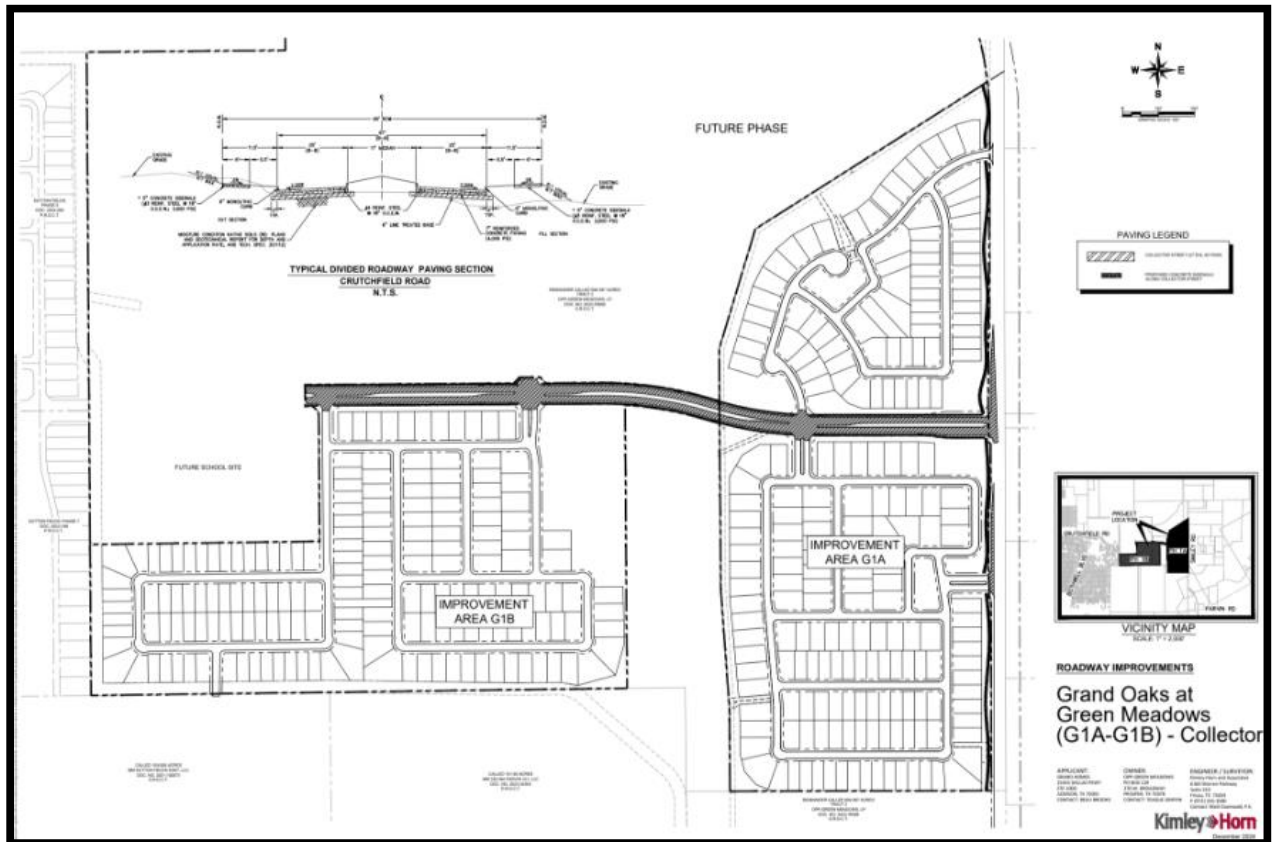


### OIL AND GAS WELLS Texas Railroad Commission



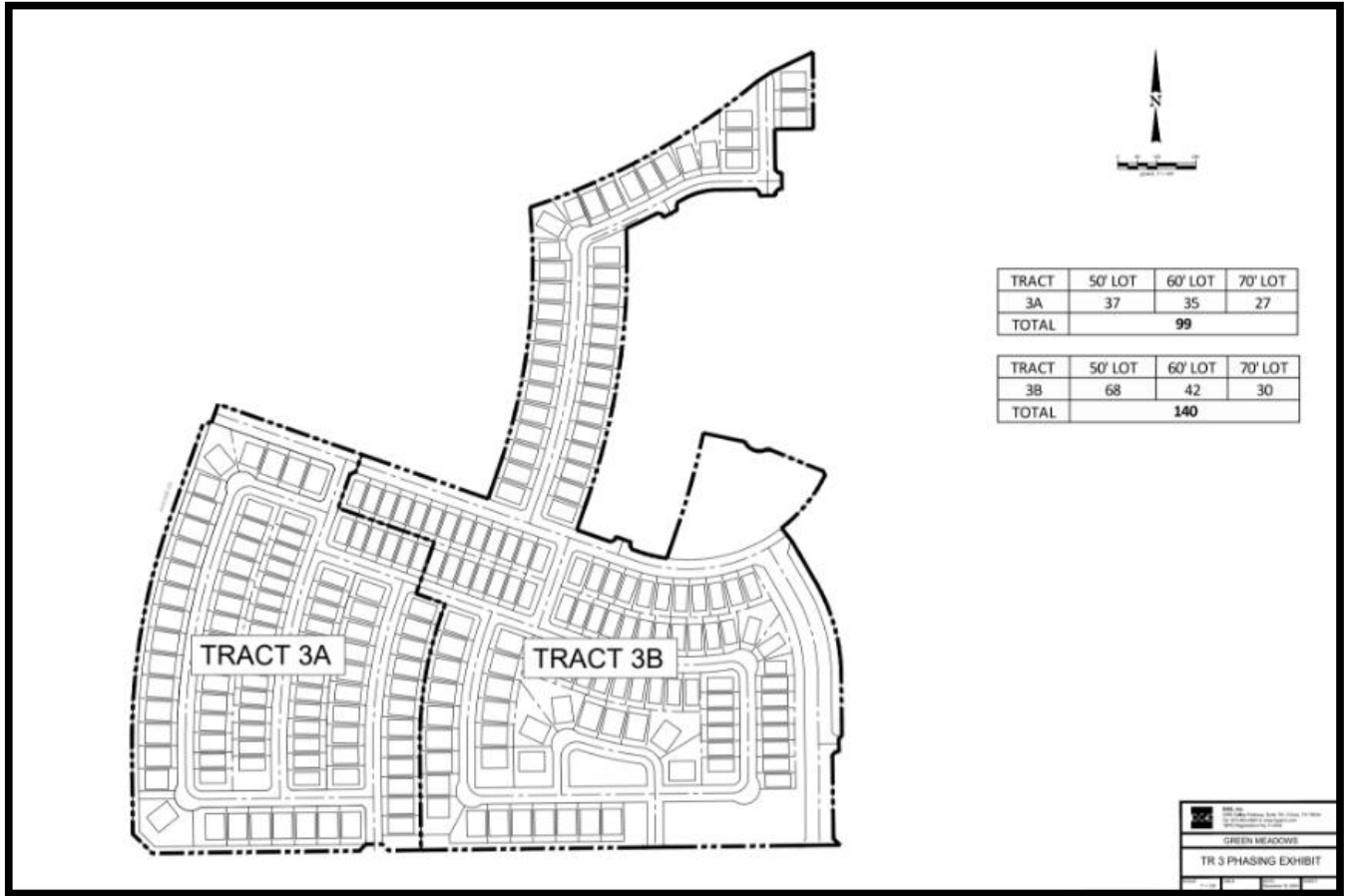
*There are 0 well bottom sites and 0 well surface sites within 2.5 miles from the subject property according to the above referenced map from the Texas Railroad Commission. The subject site does not appear to be encumbered by any detrimental restrictions due to the proximity to surface or subsurface well locations because this area of Central Texas is minimally active in mineral extraction.*

**GREEN MEADOWS PID IA G1A AND G1B LOT EXHIBIT**

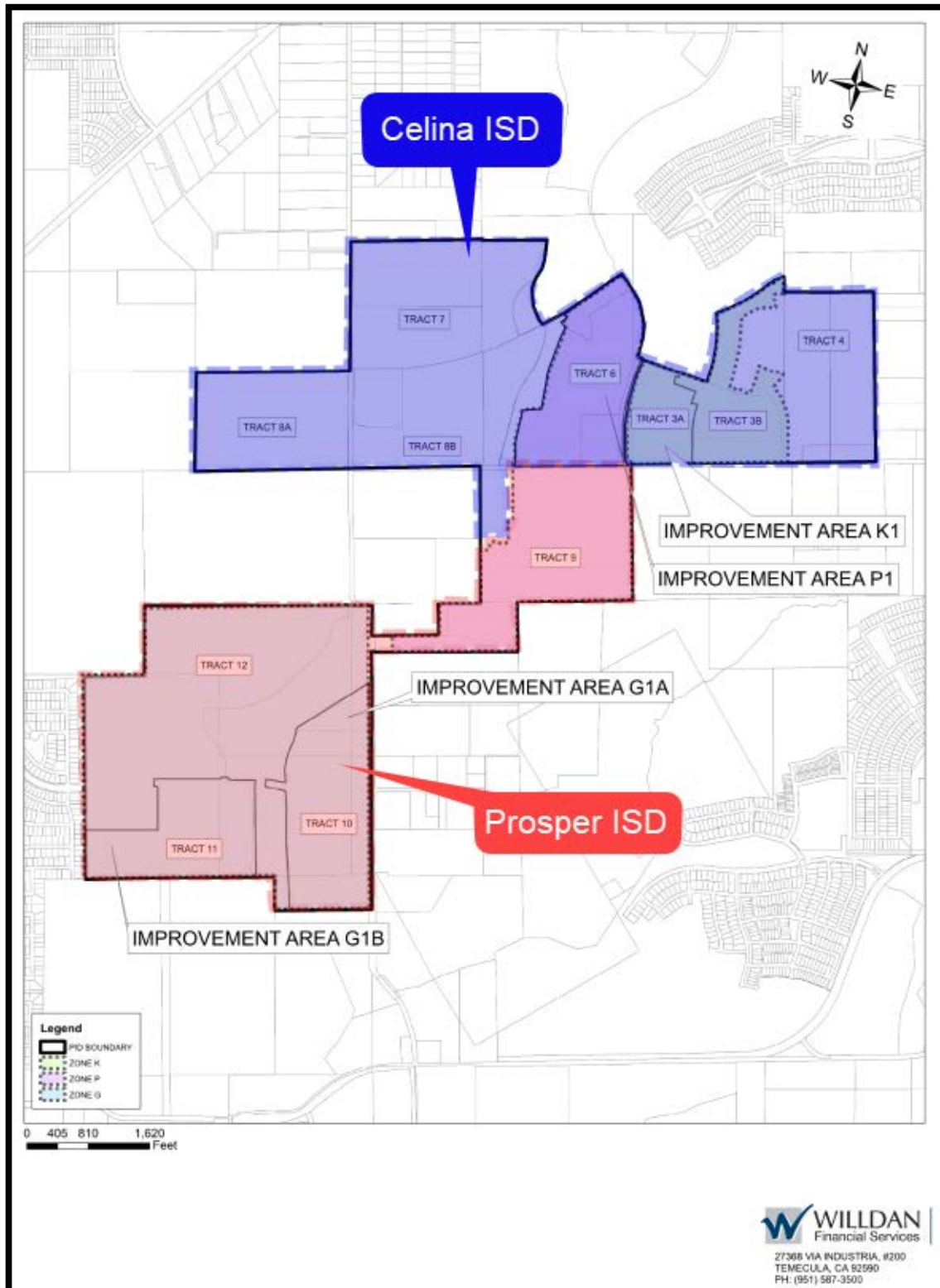




**GREEN MEADOWS PID IA K1 LOT EXHIBIT**

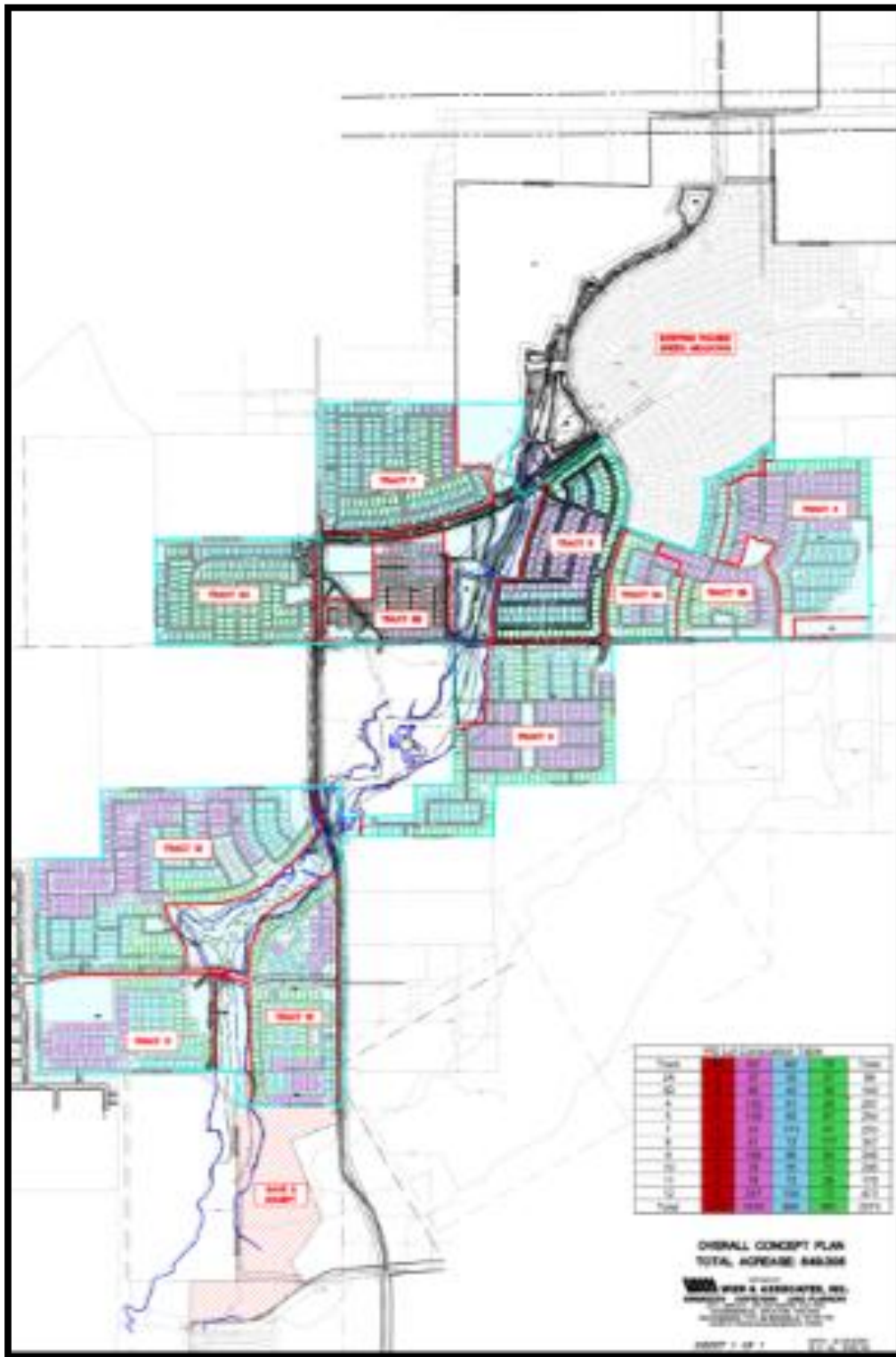


**GREEN MEADOWS PID SCHOOL DISTRICT EXHIBIT**





**GREEN MEADOWS PID, BY WIER & ASSOCIATES (PROFESSIONAL ENGINEERS)**



**SUBJECT PHOTOGRAPHS**



Tract 6 viewing southeast



Tract 6 viewing east



Tract 6 viewing northeast



Tract 7 viewing northwest



Tract 7 viewing west



Tract 7 viewing southwest

**SUBJECT PHOTOGRAPHS**



Southwest corner of Tract 5



Carey Road on south side of Tract 5



Intersection of Carey Road and Smiley Road



Northwest corner of Tract 9



Tract 5



Northwest corner of Tract 9



**SUBJECT PHOTOGRAPHS**



Tract 9 Viewing South



Carey Road viewing west to Smiley Road



Tract 5



Tract 3



Tract 4



Development to the south and east of Subject Property

**SUBJECT AND AREA PHOTOGRAPHS**



Northeast corner of Tract 12



Southwest corner of Tract 9



Northeast corner of Tract 10



North side of Tract 10



South side of Tract 10



Viewing West at Tract 10 and 11

**SUBJECT AND AREA PHOTOGRAPHS**



Northeast corner of Tract 13



Southeast corner of Tract 13 off Parvin Road

**HIGHEST AND BEST USE**

The highest and best use may be defined as the most profitable or likely profitable legal use for which a property may be utilized. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. Also, that reasonable and probable use that will support the highest present value, as defined, as of the Effective Date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, is found to be:

- a. Legally Permissible
- b. Physically Possible
- c. Financially Feasible
- d. Maximally Productive

The definition, immediately above, applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

There are two distinct types of highest and best use, that being the highest and best use as if the site were vacant, and the highest and best use as improved. Both use determinations require consideration of the legal, physical, financial feasibility, and maximal productivity for the site and improvements.

**Highest and Best Use “As-Vacant”**

The value of a vacant land parcel is based on the potential uses for the property. The highest and best use of a property as vacant is the use that provides the highest present land value after payments are made for labor, capital, and coordination. Of the uses which are legally permissible, physically possible, and financially feasible, the use that produces the highest return to the property would be considered the highest and best use.

**Legally Permissible**

Per Denton County, Green Meadows PID is located in Denton County outside of the city limits of Celina and is zoned Agriculture with a Development Agreement with the City of Celina. No private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal which would further restrict development.

Given surrounding land use patterns in the area and the legally permissible uses of the subject property for Green Meadows PID, only residential uses at the subject property are given further consideration in determining the highest and best use of the site as vacant. Based on review of the Development Agreement, we consider that detached single-family uses are allowed.

**Physically Possible**

Considering the subject’s physical characteristics including jurisdiction, location, size, shape, and availability of utilities, the site is capable of numerous uses which are physically possible without being constrained by the property itself. The subject does contain a powerline easement running through the southwest section of the subject; however, it does not encumber the subject property for its intended use.

**Financially Feasible**

In order to be economically feasible, the improvements should conform to the surrounding land uses. To meet the test of being financially feasible, the project must provide a net return over a reasonable period of time. The area surrounding the subject property is rural, however, development of the surrounding area has accelerated considerably over the past decade as development north of Dallas and Fort Worth and along major highways has

## *Green Meadows Public Improvement District*

shown almost endless demand. Developers and home builders have moved further away from the center of the Metroplex to quasi-rural areas of Denton County like those surrounding the subject property are being developed with middle-to-middle-upper class housing stock. Based on review of homes on the market, we would expect home prices between \$450,000-\$950,000 would be in demand in Green Meadows PID.

Based on our analysis of the market, it is reasonable to expect a rise in demand for vacant developed lots (VDLs) in 2024 as homebuilders sell more homes when mortgage rates begin to fall precipitously as they have in early 2024; Along with this, due to the lack of supply for VDLs and the long-term prospects of the subject's area, we expect ample demand for single-family lots in the next 2-5 years. When looking at the longer time horizon, it appears that a newly developed single-family residential use on the site would have a value commensurate with its cost. Therefore, single-family residential use is considered to be financially feasible.

### **Maximally Productive**

There does not appear to be any reasonably probable use of the subject property that would generate a higher residual land value than single-family residential use. Accordingly, it is our opinion that single-family residential use, developed to the normal market density allowed by the Development Agreement is the maximally productive use of the property.

The resilient business climate in North Texas and the continual development of neighborhoods in Denton County has created increased demand for homes in the area. Coupled with increasing movement into DFW, and northward in the Metroplex in particular, it is our opinion that the highest and best use of the property "As-Vacant" would be for the development of single-family residential community. Thus, the highest and best use of the property "As-Vacant" is for development of detached, single-family residential uses.

### **Highest and Best Use "As-Proposed"**

Development of the subject property, as proposed utilizing our extraordinary assumptions, is the only use that meets the four tests of highest and best use. Therefore, we conclude that the highest and best use of the property "As-Improved" is similar to our conclusion "As-Vacant" which is for detached, single-family residences.

We believe that the **most probable buyer** would be a developer of residential dwellings, a large homebuilder, who are active in the subject's market in Denton County.



**VALUATION – IA#1 CONSISTING OF IA G1A, IA G1B, IA P1, AND IA K1**

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. Use of the approaches in this assignment is summarized as follows:

<i><b>Approach</b></i>	<i><b>Applicability to Subject</b></i>	<i><b>Use in Assignment</b></i>
<b>Cost Approach</b>	<i>Not Appropriate in IA #1 of the Subject Property Since the Subject Property will be Developed in Multiple Phases</i>	<i>Not Utilized</i>
<b>Income (Subdivision Development) Approach</b>	<i>Appropriate in Determining Residential Subdivision Value</i>	<i>Utilized</i>
<b>Sales Comparison Approach</b>	<i>Aspects Used in Subdivision Valuation to Determine Retail Market Value of the 50-FF, 60-FF, and the 70-FF Lots</i>	<i>Partially Utilized</i>

**Residential Subdivision (748 Improved Lots in IA#1 which consists of four improvement areas IA G1A, IA G1B, IA P1, and IA K1, of Green Meadows PID)**

***Cost Approach***

The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project. Since the subject property is being developed in multiple phases and there are no major improvements in place, *the Cost Approach is not the most appropriate and thus was not utilized for IA #1 which consists of four improvement areas IA G1A, IA G1B, IA P1, and IA K1.*

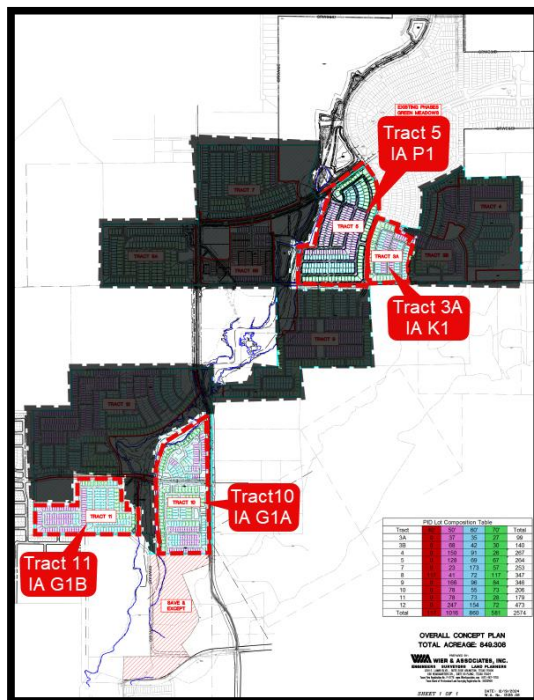
***Income (Subdivision Development) Approach***

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since one of the problems to be solved in this assignment is to determine the bulk sale value of 748 lots, as of the Effective Date of February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1, which is based on the Substantial Completion Date, *the Income (Subdivision Development) Approach is appropriate and was fully developed.*

***Sales Comparison Approach***

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed by the appraisers.* Aspects of the Sales Comparison Approach were utilized to determine the retail value of the improved lots for analysis within the Income (Subdivision Development) Approach.

**INCOME APPROACH – IMPROVED RESIDENTIAL LOTS - IA#1**



NOTE: IA #1 comprises 748 improved residential lots within IA G1A, IA G1B, IA P1, and IA K1 completed as vacant developed lots (VDLs) with a Prospective Effective Date of February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1.

Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. The income methodology applied in subdivision analysis has been adapted to simulate what occurs in a bulk sale where one buyer purchases a group of lots at a discount. It provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

In order to complete the analysis, the appraisers:

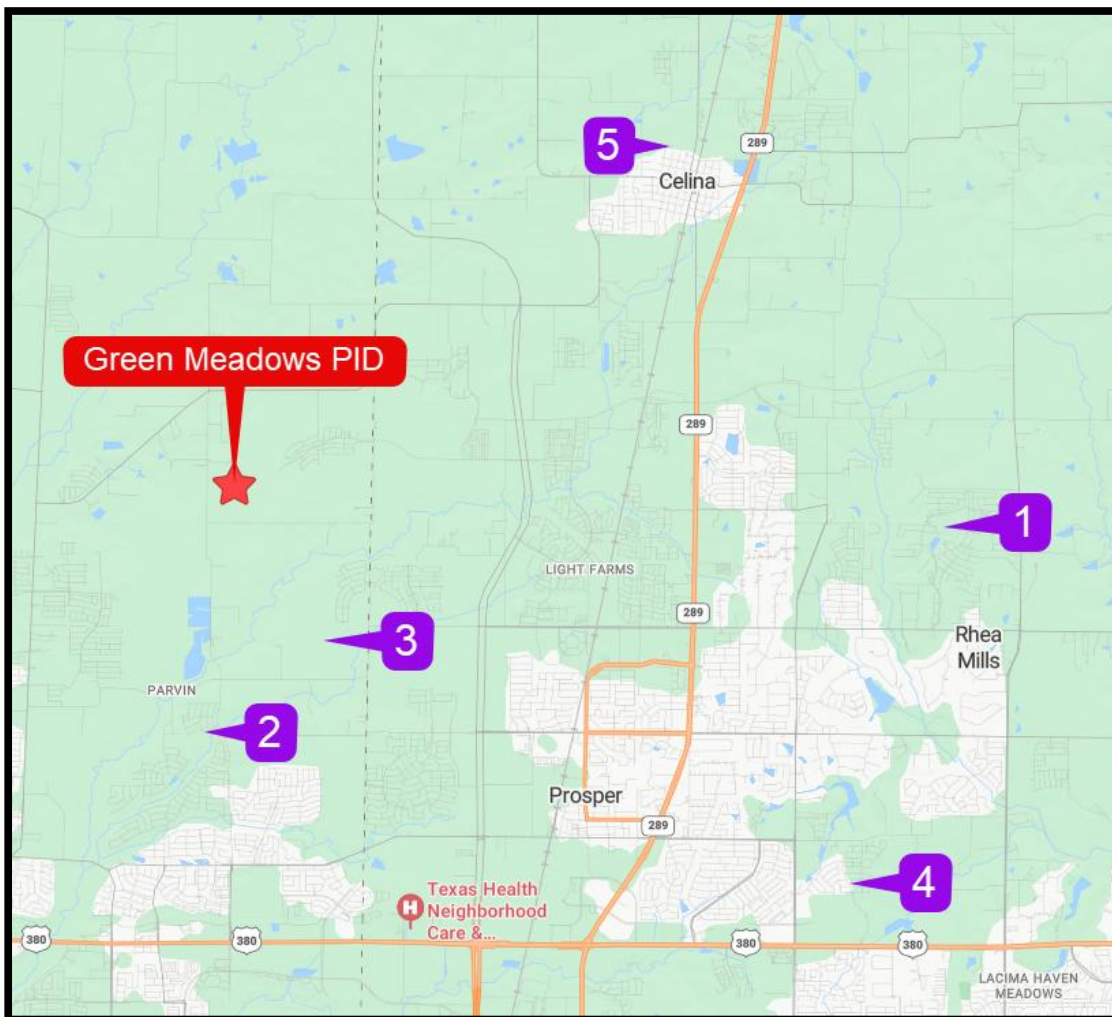
- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales costs over the absorption period
- Estimated the appropriate discount rate necessary to undertake the risks associate with the project
- Utilized discount cash flow (DCF) analysis to determine the present value of future cash flows realized by selling the lots at market prices over time

We utilized the following unit of comparison which is the measure most commonly found in the market:

**Sales Price Per Front Foot** – Obtained by dividing sale price by the front footage of the lot

Following is our analysis of the 50-FF, 60-FF, and 70-FF lots in IA #1 of Green Meadows PID.

**MAP OF COMPARABLE LOT SALES –50’ LOTS**



**Subject: IA#1 Green Meadows PID, Celina Area of Denton County, TX 75009**

We selected the best and most recent comparable lot sales for our analysis of the 50-FF lots. Our five comparable sales are shown below:

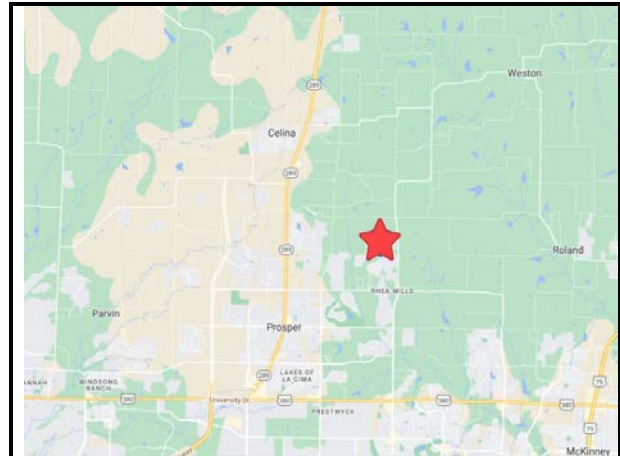
SUMMARY OF LOT SALES - 50' LOTS								
Sale	Subdivision	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	\$/FF
1	Mustang Lake	Celina	Prosper	Apr-2024	In-Contract	\$165,000	50	\$ 3,300
2	Windsong Ranch	Prosper	Prosper	Oct-2023	Oct-2023	\$155,000	50	\$ 3,100
3	Mosaic	Celina	Prosper	Jun-2023	Jun-2023	\$122,500	50	\$ 2,450
4	Brookhollow West	Prosper	Prosper	Jun-2023	Jun-2023	\$122,500	50	\$ 2,450
5	Villages at Uptown	Celina	Celina	Jan-2024	Jan-2024	\$95,000	50	\$ 1,900
<b>Subject</b>	<b>Green Meadows IA Lots</b>	<b>Celina</b>	<b>Celina</b>	-	-	-	<b>50</b>	-



**SALE COMPARABLE 1 – 50’ LOTS**



Comparable 1 Aerial



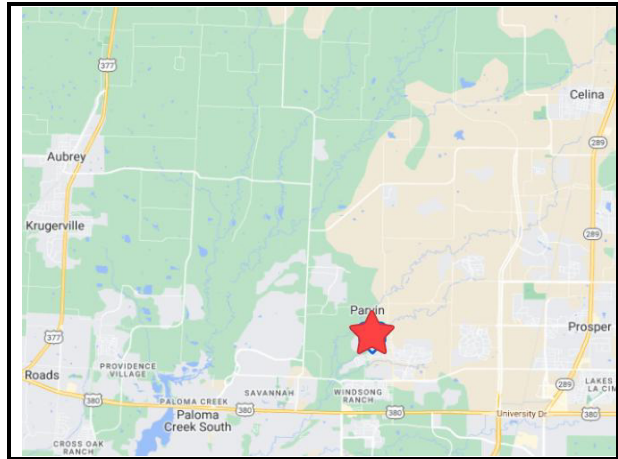
Comparable 1 Map

50-FF Sale Comparable 1				
<b>Property Information</b>				
Subdivision Name	Mustang Lake			
Property Class	Residential Lot			
Address	North side of Frontier Parkway, East of Wilson Creek, South of Choate Parkway, and West of Farm to Market Road 2478, Celina			
County	Denton			
Property Type	Residential / Multiple Units			
<b>Site Information</b>				
Site Size	5,750	SF	0.13	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
<b>Transaction Information</b>				
Sale Status	Closed			
Sale/Contract Date	April - 2024			
Seller	Celina 557 Partners LP			
Buyer	Perry Homes LLC			
Sale Price	\$165,000			
Price per SF Land	\$28.70			
<b>Price per Front Foot</b>	<b>\$3,300</b>			

**SALE COMPARABLE 2 – 50’ LOTS**



Comparable 2 Aerial



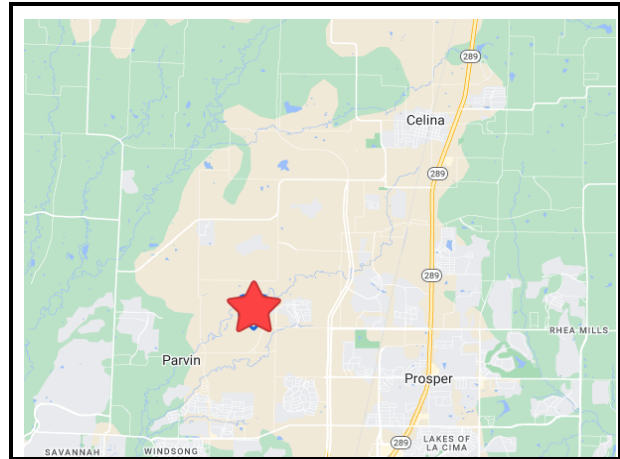
Comparable 2 Map

50-FF Sale Comparable 2				
<b>Property Information</b>				
Subdivision Name	Windsong Ranch			
Property Class	Residential Lot			
Address	South side of Parvin Road, West of North Teel Parkway, North of West First Street, and East of Denton Way, Prosper			
County	Denton			
Property Type	Residential / Multiple Units			
<b>Site Information</b>				
Site Size	6,500	SF	0.15	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
<b>Transaction Information</b>				
Sale Status	Closed			
Sale/Contract Date	October 2023			
Seller	VP Windsong Operations, LLC			
Buyer	American Legend Homes, LLC			
Sale Price	\$155,000			
Price per SF Land	\$23.85			
<b>Price per Front Foot</b>	<b>\$3,100</b>			

**SALE COMPARABLE 3 – 50’ LOTS**



Comparable 3 Aerial



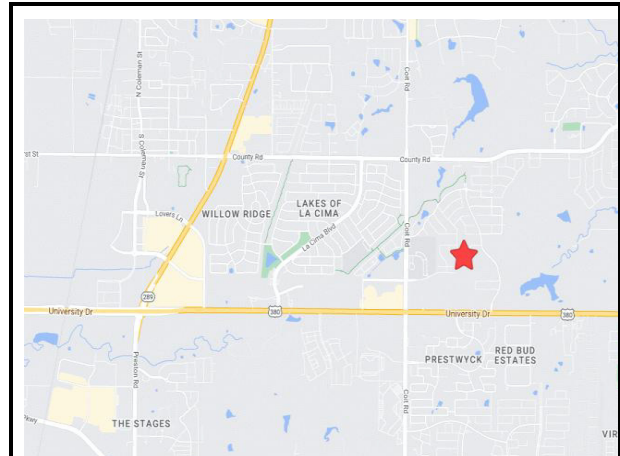
Comparable 3 Map

50-FF Sale Comparable 3				
<b>Property Information</b>				
Subdivision Name	Mosaic			
Property Class	Residential Lot			
Address	West of Legacy Drive, South of Carey Road, North of Parvin Road, and East of Private Road 7801, Celina			
County	Denton			
Property Type	Residential / Multiple Units			
<b>Site Information</b>				
Site Size	6,500	SF	0.15	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
<b>Transaction Information</b>				
Sale Status	Closed			
Sale/Contract Date	April - 2023			
Seller	Tellus Texas I, LLC			
Buyer	Highland Homes			
Sale Price	\$122,500			
Price per SF Land	\$18.85			
<b>Price per Front Foot</b>	<b>\$2,450</b>			

**SALE COMPARABLE 4 – 50’ LOTS**



Comparable 4 Aerial



Comparable 4 Map

50-FF Sale Comparable 4				
<b>Property Information</b>				
Subdivision Name	Brookhollow West			
Property Class	Residential Lot			
Address	West side of Lakewood Drive, South side of First Street, North side of US Highway 380, East side of Coit Road, Prosper			
County	Wise			
Property Type	Residential / Multiple Units			
<b>Site Information</b>				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
<b>Transaction Information</b>				
Sale Status	Closed			
Sale/Contract Date	June - 2023			
Seller	HH Lakewood Drive Development LP			
Buyer	Shaddock Homes, LTD			
Sale Price	\$122,500			
Price per SF Land	\$20.42			
<b>Price per Front Foot</b>	<b>\$2,450</b>			



**SALE COMPARABLE 5 – 50’ LOTS**



Comparable 5 Aerial



Comparable 5 Map

50-FF Sale Comparable 5			
<b>Property Information</b>			
Subdivision Name	Villages at Uptown		
Property Class	Residential Lot		
Address	South of Farm to Market 57, North of Farm to Market 455, West of North Louisiana Drive, and East of Farm to Market 455, Celina		
County	Denton		
Property Type	Residential / Multiple Units		
<b>Site Information</b>			
Site Size	6,000	SF	0.14 Acres
Zoning Code	Planned Development		
Shape	Rectangular		
Topography	Basically level		
Available Utilities	All available		
<b>Transaction Information</b>			
Sale Status	Closed		
Sale/Contract Date	January - 2024		
Seller	Uptown Celina Partners LP		
Buyer	Perry Homes		
Sale Price	\$95,000		
Price per SF Land	\$15.83		
<b>Price per Front Foot</b>	<b>\$1,900</b>		

**SALES ADJUSTMENT COMPARISON GRID –50’ LOTS**

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Green Meadows IA Lots	Mustang Lake	Windsong Ranch	Mosaic	Brookhollow West	Villages at Uptown
	Celina	Celina	Prosper	Celina	Prosper	Celina
<i>Transactional Adjustments</i>						
Sales Price/FF		\$3,300	\$3,100	\$2,450	\$2,450	\$1,900
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$3,300	\$3,100	\$2,450	\$2,450	\$1,900
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$3,300	\$3,100	\$2,450	\$2,450	\$1,900
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$3,300	\$3,100	\$2,450	\$2,450	\$1,900
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$3,300	\$3,100	\$2,450	\$2,450	\$1,900
Time/Market Conditions		+5%	+8%	+10%	+10%	+7%
<b>ADJUSTED Price/FF:</b>		<b>\$3,465</b>	<b>\$3,348</b>	<b>\$2,695</b>	<b>\$2,695</b>	<b>\$2,033</b>
<i>Physical Adjustments</i>						
Location/Access	Celina, Denton County, North of Parvin Road	0%	-2%	0%	-2%	0%
Amenities	Amenity Centers, Pool with slides, Jogging Path/Bike Path, Tennis Courts, Playground, Ampitheater, Community Garden, Greenbelt	-2%	-8%	-2%	+8%	+8%
Size	50-FF	0%	0%	0%	0%	0%
Utilities	All	0%	0%	0%	0%	0%
Topography/View	Gently Sloping Improved Lots	0%	0%	0%	0%	0%
Zoning	Development Agreement	0%	0%	0%	0%	0%
<i>Total Net Physical Adj. After Transactional Adj.</i>		-2%	-10%	-2%	6%	8%
<b>ADJUSTED Price/FF:</b>		<b>\$3,396</b>	<b>\$3,013</b>	<b>\$2,641</b>	<b>\$2,857</b>	<b>\$2,196</b>
<b>SUMMARY OF COMPARABLE VALUES</b>						
Value Range/FF		<b>\$2,196</b>	<b>to</b>	<b>\$3,396</b>		
Average Value/FF		<b>\$2,820</b>				
Median Value/FF		<b>\$2,857</b>				
Size		<b>50-FF</b>				
Unit Value Indication		<b>\$2850/FF</b>				
Overall Value Indication		<b>\$142,500</b>				
<i>Rounded</i>		<b>\$143,000</b>				

## **ANALYSIS OF ADJUSTMENTS –50’ LOTS**

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject’s general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$1,900 to \$3,300 per front foot with all Sales being 50-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

### **Factors to be Considered and Summary of Adjustments**

#### **Transactional Adjustments**

##### ***Property Rights, Financing Terms, and Conditions of Sale***

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

##### ***Expenditures After Purchase***

Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

##### ***Time/Market Conditions***

The residential real estate market increased significantly in 2020 through 2023 but now appears to be cooling following another interest rate decrease. The Federal Home Loan Mortgage Corporation’s 30-year fixed-rate fell by 14 basis points to 6.92% as of September 2024. Price increases from 2020 to 2023 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. Development costs also rose significantly beginning in 2021 as supply chains were disrupted due to the COVID-19 Pandemic, the cost of labor rose, and inflation hit its highest level in decades. We also considered that according to data from Zonda there is a significant shortage of 50-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent plated and developed residential lot sales throughout the Metroplex and specifically along the 380 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +5% year-over year (YoY) increase throughout 2021, 2022, 2023, and for the first quarter of 2024 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get entitlements approved and engineer and costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +5% and +10% for Market Conditions depending on the sale date.

## Physical Adjustments

### *Location/Access*

The subject property is located in the Celina area of Denton County near the modestly expanding quasi-suburban sprawl of residential neighborhoods north of Dallas. Development in the subject's area has been substantial and consistent throughout the decades. The subject is located approximately 3.5 miles west of South Dallas Parkway which runs north/south, and several community commercial uses are located on this arterial traffic carrier. The area around the subject is primarily residential development and undeveloped rural land.

The subject property is within the Celina ISD and Prosper ISD which are desirable districts with an "A" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. The subject is located on the south side of West Farm to Market 428, east side of Farm to Market 1385, west side of South Legacy Drive, and north side of Parvin Road. Accessibility is considered above average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Similar; Located near Celina, which has similar access to commercial uses and located in Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted 0%
- Sale 2: Superior; Located near Prosper, which has superior access to commercial uses and located in Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted -2%
- Sale 3: Similar; Located near Celina which has similar access to commercial uses and located in Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted 0%
- Sale 4: Superior; Located near Prosper which has superior access to commercial uses and located in Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted -2%
- Sale 5: Similar; Located near Celina, which has similar access to commercial uses and located in Celina ISD which has an "A" rating and considered to be a similar ISD; Adjusted 0%

### *Amenities*

The subject property's amenities will consist of an amenity center, pool with slides, dog park, community garden, playground, jogging path/bike path, grilling area, amphitheater, and greenbelt. The subject's amenities are standard for a master planned community the size of Green Meadows PID development. We have made the following adjustments for Amenities:

- Sale 1: Superior; Mustang Lake, with amenities such as club house, pool, tennis court, basketball court, greenbelt, jogging path/bike path, park, playground, small lake; Adjusted -2%
- Sale 2: Superior; Windsong Ranch, with amenities such as lagoon with beach, swimming pool, tennis court, club house, community dock, fitness center, greenbelt, jogging path/bike path, park, playground, and restaurant; Adjusted -8%
- Sale 3: Superior; Mosaic, with amenities such as a club house, pool/lazy river, fishing lake, fitness center, amenity center, greenbelt, jogging path/bike path, park, playground; Adjusted -2%
- Sale 4: Inferior; Brookhollow West, with amenities such as a club house, pool, jogging path/bike path, park; Adjusted +8%
- Sale 5: Inferior; Villages at Uptown, with amenities such as a club house, pool, jogging path/bike path, park, dog park, greenbelt; Adjusted +8%

### *Size*

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). Sales 1-5 are also 50' lots that can accommodate the same building pad, so no adjustment is made for size to those comparable sales.



*Green Meadows Public Improvement District*

***Utilities***

The subject property's improved lots will each have access to electric, water, sewer, natural gas, and high-speed Internet. Sales 1-5 will also have access to the same utilities as the subject. Therefore, no adjustment is made for Utilities to those comparable sales.

***Topography/View***

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

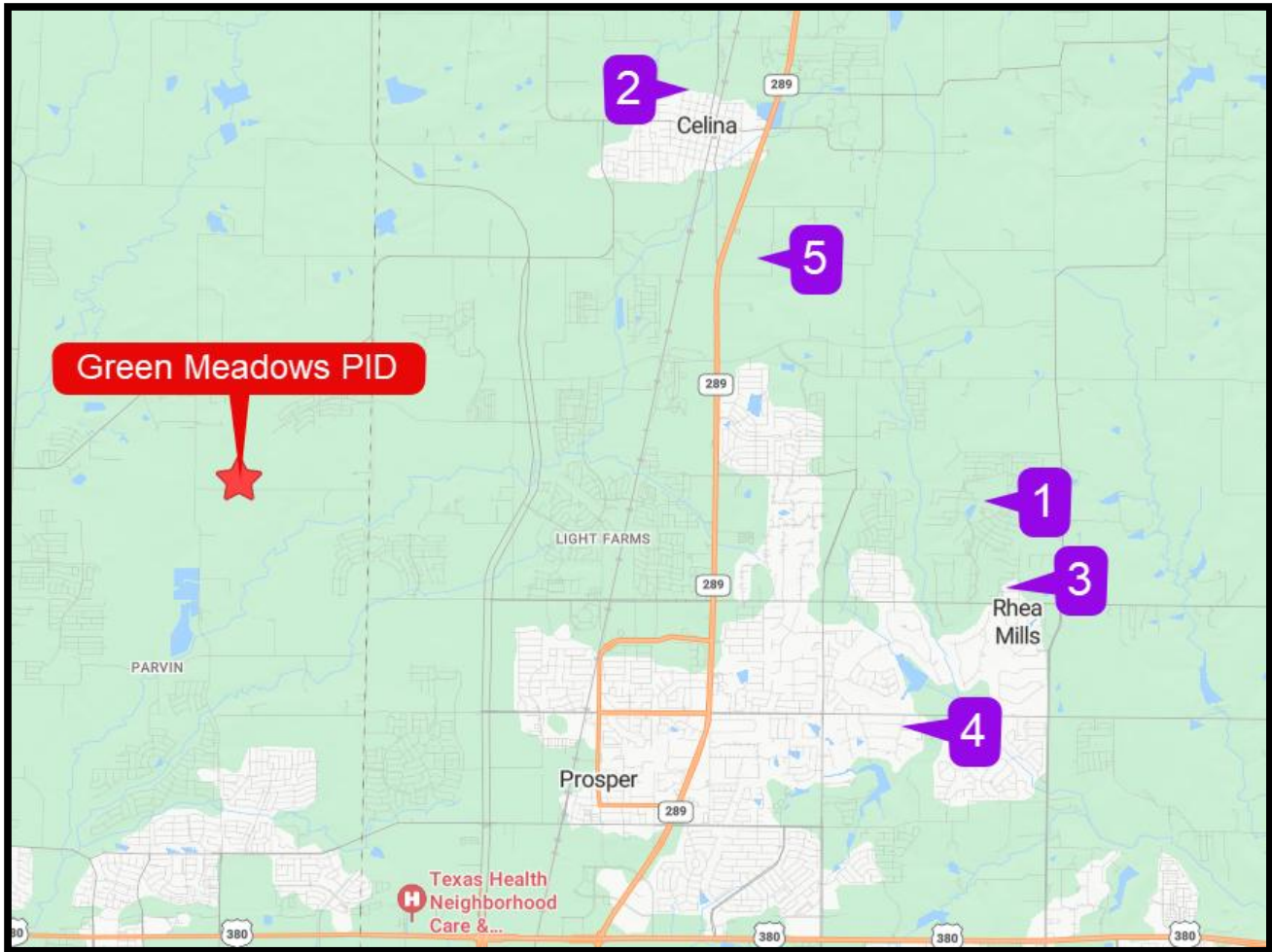
***Zoning***

Per Denton County, Green Meadows PID is located in Denton County outside of the city limits of Celina and is designated Agriculture with and is subject to the Development Agreement with the City of Celina. Each of the comparable sales are in planned development with residential development agreements; thus, no adjustment was made for each comparable regarding Zoning.

**Conclusion for 50' Lots** – The 50' Lot Sales have an adjusted range of \$2,196/FF to \$3,396/FF with an average of \$2,820/FF and a median of \$2,857/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material (especially concrete) and labor which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the improved 50' lots is \$2850/FF, or \$142,500/Lot, rounded to \$143,000/Lot.

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
50' Detached Lots	128	2/1/2026-6/1/2026	\$143,000

**MAP OF COMPARABLE LOT SALES –60’ LOTS**

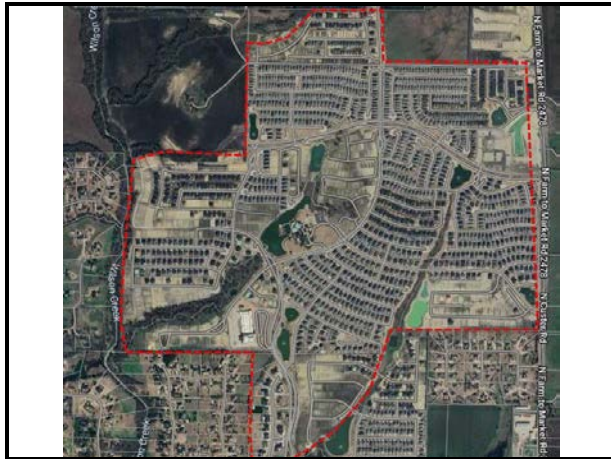


**Subject: IA #1 Green Meadows PID, Celina Area of Denton County, TX 75009**

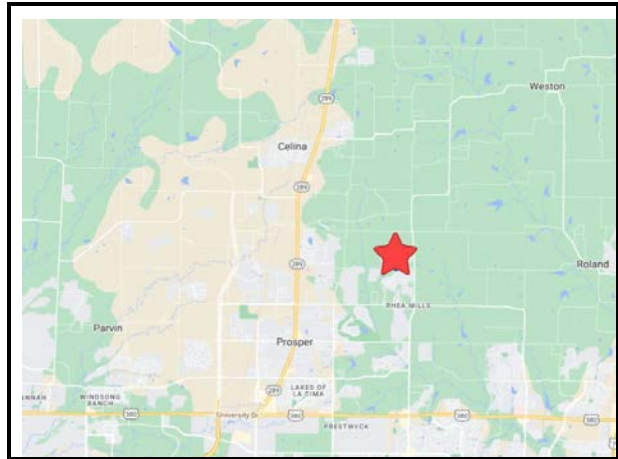
We selected the best and most recent comparable lot sales for our analysis of the 60-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 60' LOTS								
Sale	Subdivision	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	\$/FF
1	Mustang Lakes	Celina	Prosper	Jan-2024	In-Contract	\$198,000	60	\$ 3,300
2	Villages at Uptown	Celina	Celina	Jan-2024	Jan-2024	\$114,000	60	\$ 1,900
3	Wellspring Estates	Celina	Prosper	Sept-2022	Sept-2022	\$132,000	60	\$ 2,200
4	Brookhollow West	Prosper	Prosper	Jun-2023	Jun-2023	\$138,000	60	\$ 2,300
5	Hillside Village	Celina	Celina	Jan-2023	Jan-2023	\$114,000	60	\$ 1,900
<b>Subject</b>	<b>Green Meadows IA Lots</b>	<b>Celina</b>	<b>Celina</b>	-	-	-	<b>60</b>	-

**SALE COMPARABLE 1 – 60’ LOTS**



Comparable 1 Aerial



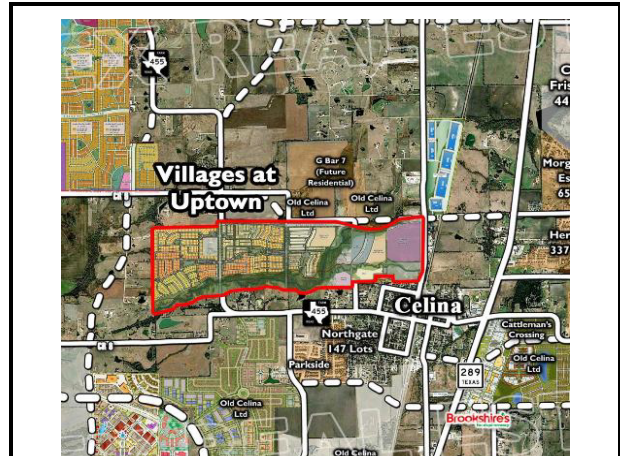
Comparable 1 Map

60-FF Sale Comparable 1				
<b>Property Information</b>				
Subdivision Name	Mustang Lakes			
Property Class	Residential Lot			
Address	North side of Frontier Parkway, East of Wilson Creek, South of Choate Parkway, and West of Farm to Market Road 2478, Celina			
County	Denton			
Property Type	Residential / Multiple Units			
<b>Site Information</b>				
Site Size	7,500	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
<b>Transaction Information</b>				
Sale Status	In-Contract			
Sale/Contract Date	January - 2024			
Seller	CADG Avalon at Argyle LLC			
Buyer	D.R. Horton Homes			
Sale Price	\$198,000			
Price per SF Land	\$26.40			
<b>Price per Front Foot</b>	<b>\$3,300</b>			

**SALE COMPARABLE 2 – 60’ LOTS**



Comparable 2 Aerial

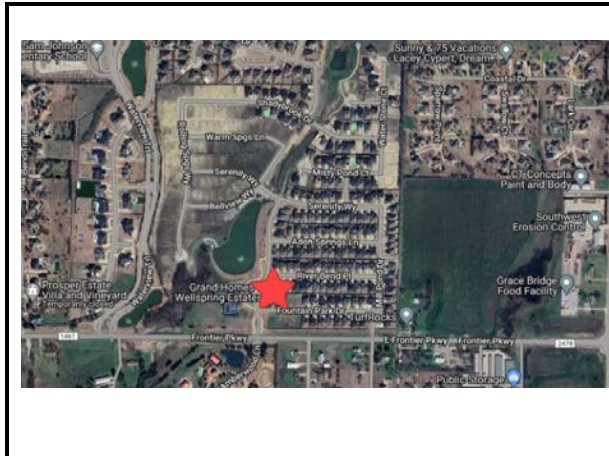


Comparable 2 Map

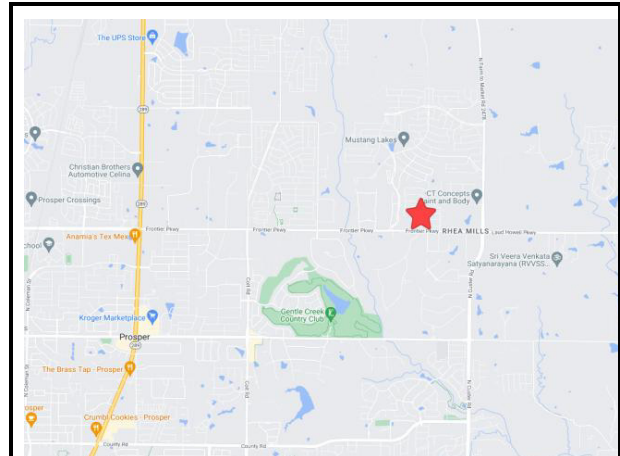
60-FF Sale Comparable 2				
<b>Property Information</b>				
Subdivision Name	Villages at Uptown			
Property Class	Residential Lot			
Address	Farm to Market 455, West of North Louisiana Drive, and East of Farm to Market 455, Celina			
County	Denton			
Property Type	Residential / Multiple Units			
<b>Site Information</b>				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
<b>Transaction Information</b>				
Sale Status	Closed			
Sale/Contract Date	Jan - 2024			
Seller	CND-Pecan Square II, LLC			
Buyer	Weekly Homes LLC			
Sale Price	\$114,000			
Price per SF Land	\$15.83			
<b>Price per Front Foot</b>	<b>\$1,900</b>			



**SALE COMPARABLE 3 – 60’ LOTS**



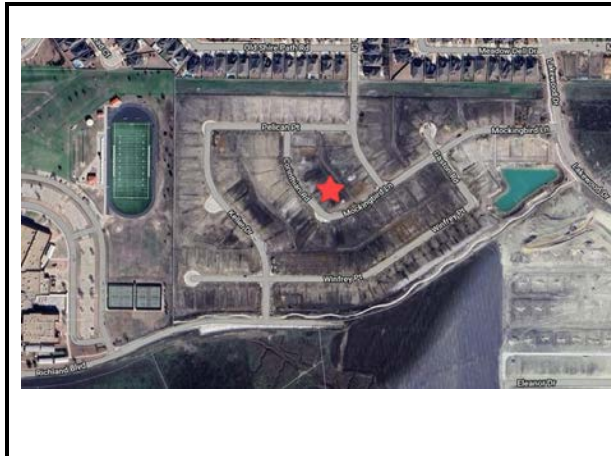
Comparable 3 Aerial



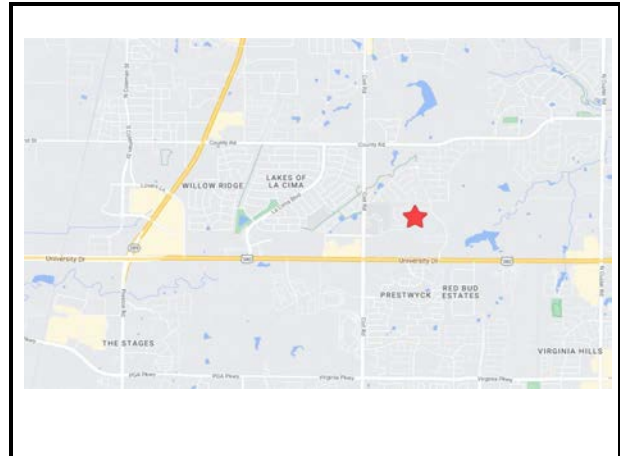
Comparable 3 Map

60-FF Sale Comparable 3				
<b>Property Information</b>				
Subdivision Name	Wellspring Estates			
Property Class	Residential Lot			
Address	South of East Ownsby Parkway, West of Farm to Market 2478, North of East Frontier Parkway, and East of Waterview Trail, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
<b>Site Information</b>				
Site Size	7,500	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
<b>Transaction Information</b>				
Sale Status	Closed			
Sale/Contract Date	September - 2022			
Seller	Sunshine Development Group, LTD			
Buyer	First Texas Homes, Inc.			
Sale Price	\$132,000			
Price per SF Land	\$17.60			
<b>Price per Front Foot</b>	<b>\$2,200</b>			

**SALE COMPARABLE 4 – 60’ LOTS**



Comparable 4 Aerial



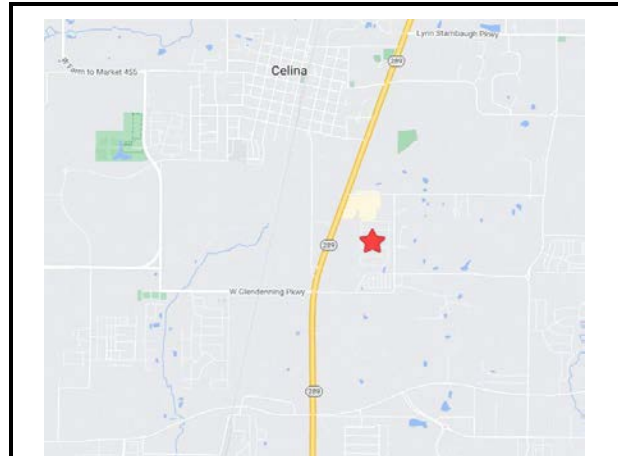
Comparable 4 Map

60-FF Sale Comparable 4				
<b>Property Information</b>				
Subdivision Name	Brookhollow West			
Property Class	Residential Lot			
Address	West side of Lakewood Drive, South side of First Street, North side of US Highway 380, East side of Coit Road, Prosper			
County	Collin			
Property Type	Residential / Multiple Units			
<b>Site Information</b>				
Site Size	7,800	SF	0.18	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
<b>Transaction Information</b>				
Sale Status	Closed			
Sale/Contract Date	Jun-2023			
Seller	Tollway/Outer Loop LP			
Buyer	Highland Homes - Dallas, LLC			
Sale Price	\$138,000			
Price per SF Land	\$17.69			
<b>Price per Front Foot</b>	<b>\$2,300</b>			

**SALE COMPARABLE 5 – 60’ LOTS**



Comparable 5 Aerial



Comparable 5 Map

60-FF Sale Comparable 5				
<b>Property Information</b>				
Subdivision Name	Hillside Village			
Property Class	Residential Lot			
Address	South of East Sunset Boulevard, North of East Glendenning Parkway, West of KC Robinson Lane, and East of South Preston Road, Celina			
County	Denton			
Property Type	Residential / Multiple Units			
<b>Site Information</b>				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
<b>Transaction Information</b>				
Sale Status	Closed			
Sale/Contract Date	January - 2023			
Seller	Wynne/Jackson, Inc.			
Buyer	Shaddock Homes			
Sale Price	\$114,000			
Price per SF Land	\$15.83			
<b>Price per Front Foot</b>	<b>\$1,900</b>			

**SALES ADJUSTMENT COMPARISON GRID –60’ LOTS**

Address:	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Green Meadows IA Lots	Mustang Lakes	Villages at Uptown	Wellspring Estates	Brookhollow West	Hillside Village
	Celina	Celina	Celina	Celina	Prosper	Celina
<i>Transactional Adjustments</i>						
Sales Price/FF		\$3,300	\$1,900	\$2,200	\$2,300	\$1,900
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$3,300	\$1,900	\$2,200	\$2,300	\$1,900
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$3,300	\$1,900	\$2,200	\$2,300	\$1,900
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$3,300	\$1,900	\$2,200	\$2,300	\$1,900
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$3,300	\$1,900	\$2,200	\$2,300	\$1,900
Time/Market Conditions		+5%	+5%	+11%	+8%	+9%
<b>ADJUSTED Price/FF:</b>		\$3,465	\$1,995	\$2,442	\$2,484	\$2,071
<i>Physical Adjustments</i>						
Location/Access	Celina, Denton County, North of Parvin Road	0%	0%	0%	-2%	0%
Amenities	Amenity Centers, Pool with slides, Jogging Path/Bike Path, Tennis Courts, Playground, Ampitheater, Community Garden, Greenbelt	-2%	+8%	+8%	+8%	+8%
Size	60-FF	0%	0%	0%	0%	0%
Topography/View	Gently Sloping Improved Lots	0%	0%	0%	0%	0%
Zoning	Development Agreement	0%	0%	0%	0%	0%
<i>Total Net Physical Adj. After Transactional Adj.</i>		-2%	+8%	+8%	+6%	+8%
<b>ADJUSTED Price/FF:</b>		\$3,396	\$2,155	\$2,637	\$2,633	\$2,237
<b>SUMMARY OF COMPARABLE VALUES</b>						
Value Range/FF		\$2,155	to	\$3,396		
Average Value/FF		\$2,611				
Median Value/FF		\$2,633				
Size		60-FF				
Unit Value Indication		\$2615/FF				
Overall Value Indication		\$156,900				
<i>Rounded</i>		<b>\$157,000</b>				



## **ANALYSIS OF ADJUSTMENTS –60’ LOTS**

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject’s general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$1,900 to \$3,300 per front foot with all Sales being 60-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

### **Factors to be Considered and Summary of Adjustments**

#### **Transactional Adjustments**

##### ***Property Rights, Financing Terms, and Conditions of Sale***

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

##### ***Expenditures After Purchase***

Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

##### ***Time/Market Conditions***

The residential real estate market increased significantly in 2020 through 2023 but now appears to be cooling following another interest rate decrease. The Federal Home Loan Mortgage Corporation’s 30-year fixed-rate fell by 14 basis points to 6.92% as of September 2024. Price increases from 2020 to 2023 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. Development costs also rose significantly beginning in 2021 as supply chains were disrupted due to the COVID-19 Pandemic, the cost of labor rose, and inflation hit its highest level in decades. We also considered that according to data from Zonda there is a shortage of 60-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent plated and developed residential lot sales throughout the Metroplex and specifically along the 380 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +4% year-over year (YoY) increase throughout 2021, 2022, 2023, and for the first quarter of 2024 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get entitlements approved and engineer and costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +5% and +11% for Market Conditions depending on the sale date.

## **Physical Adjustments**

### ***Location/Access***

The subject property is located in the Celina area of Denton County near the modestly expanding quasi-suburban sprawl of residential neighborhoods north of Dallas. Development in the subject's area has been substantial and consistent throughout the decades. The subject is located approximately 3.5 miles west of South Dallas Parkway which runs north/south, and several community commercial uses are located on this arterial traffic carrier. The area around the subject is primarily residential development and undeveloped rural land.

The subject property is within the Celina ISD and Prosper ISD which are desirable districts with an "A" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. The subject is located on the south side of West Farm to Market 428, east side of Farm to Market 1385, west side of South Legacy Drive, and north side of Parvin Road. Accessibility is considered above average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Similar; Located near Celina, which has similar access to commercial uses and located in Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted 0%
- Sale 2: Similar; Located in Celina which has similar access to commercial uses and located in Celina ISD which has an "A" rating and considered to be a similar ISD; Adjusted 0%
- Sale 3: Similar; Located in Celina which has similar access to commercial uses and located in Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted 0%
- Sale 4: Superior; Located in Prosper which has superior access to commercial uses and located in Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted -2%
- Sale 5: Similar; Located in Celina which has similar access to commercial uses and located in Celina ISD which has an "A" rating and considered to be a similar ISD; Adjusted 0%

### ***Amenities***

The subject property's amenities will consist of an amenity center, pool with slides, dog park, community garden, playground, jogging path/bike path, grilling area, amphitheater, and greenbelt. The subject's amenities are standard for a master planned community the size of Green Meadows PID development. We have made the following adjustments for Amenities:

- Sale 1: Superior; Mustang Lakes, with amenities such as a club house, pool, tennis court, basketball court, greenbelt, jogging path/bike path, park, playground, small lake; Adjusted -2%
- Sale 2: Inferior; Villages at Uptown, with amenities such as a club house, pool, jogging path/bike path, park, dog park, greenbelt; Adjusted +8%
- Sale 3: Inferior; Wellspring Estates, with amenities such as pickleball courts, tennis court, half basketball court, pond, jogging path/bike path, playground; Adjusted +8%
- Sale 4: Inferior; Brookhollow West, with amenities such as a club house, pool, jogging path/bike path, park; Adjusted +8%
- Sale 5: Inferior; Hillside Village, with amenities such as an amenity center, jogging path/bike path, park, greenbelt, pond; Adjusted +8%

### ***Size***

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). Sales 1-5 are also 60' lots that can accommodate the same building pad, so no adjustment is made for size to those comparable sales.

*Green Meadows Public Improvement District*

***Topography/View***

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

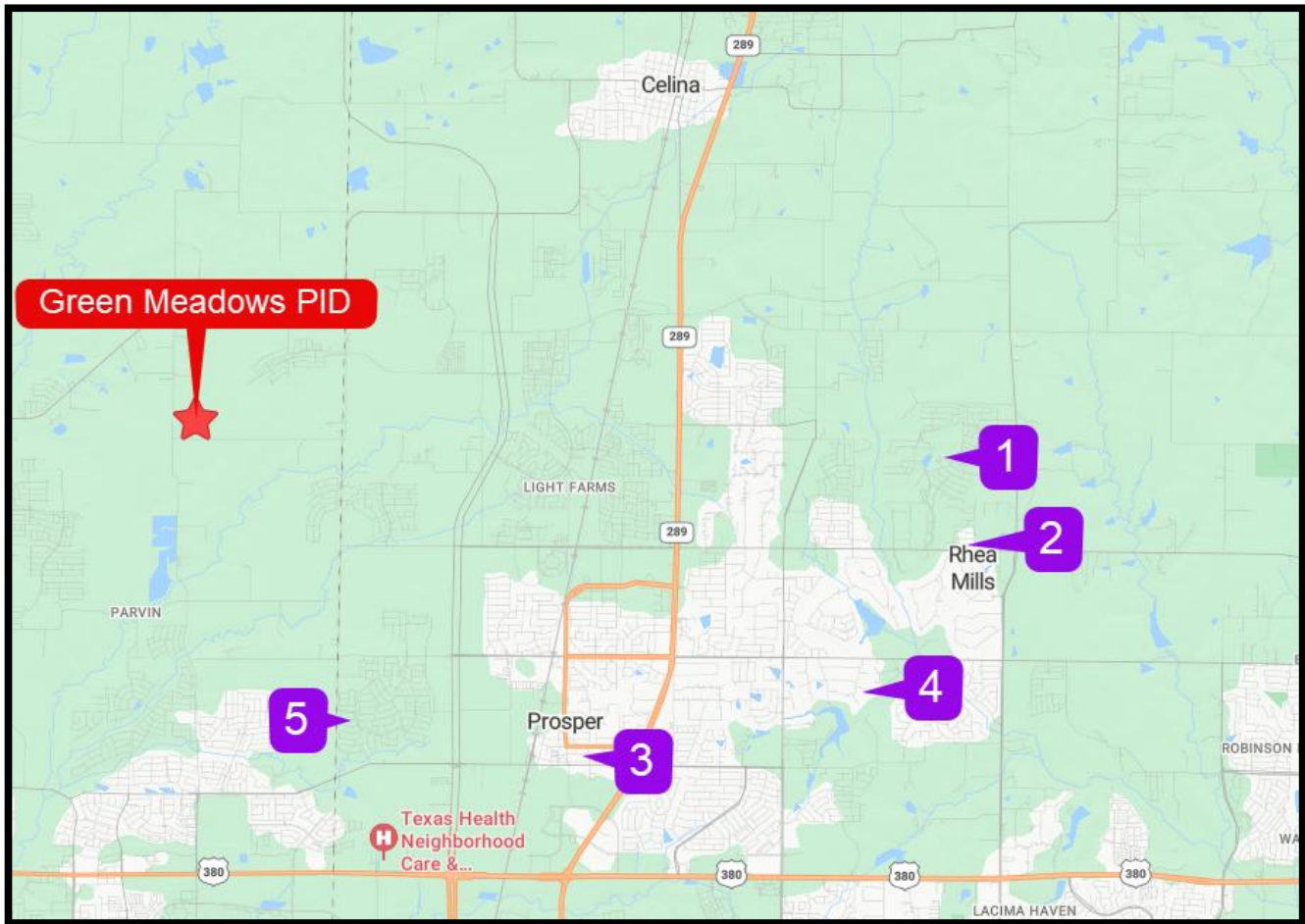
***Zoning***

Per Denton County, Green Meadows PID is located in Denton County outside of the city limits of Celina and is designated Agriculture with and is subject to the Development Agreement with the City of Celina. Each of the comparable sales are planned developments with residential development agreements; thus, no adjustment was made for each comparable regarding Zoning.

**Conclusion for 60' Lots** – The 60' Lot Sales have an adjusted range of \$2,155/FF to \$3,396/FF with an average of \$2,611/FF and a median of \$2,633/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material (especially concrete) and labor which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the improved 60' lots is \$2615/FF or \$156,900/Lot rounded to \$157,000/Lot.

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
60' Detached Lots	69	2/1/2026-6/1/2026	\$157,000

**MAP OF COMPARABLE LOT SALES –70’ LOTS**



**Subject: IA#1 Green Meadows PID, Celina Area of Denton County, TX 75009**

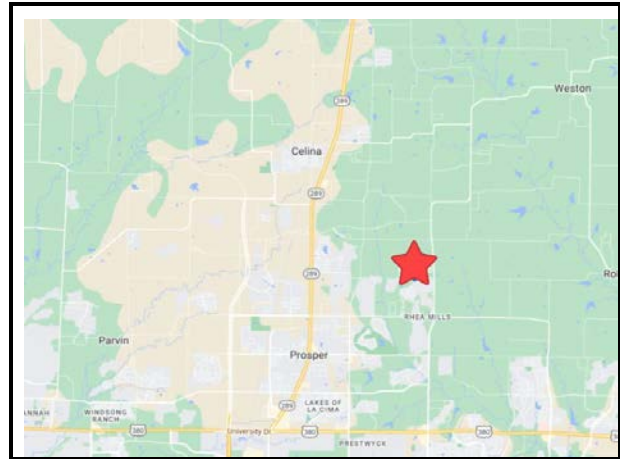
We selected the best and most recent comparable lot sales for our analysis of the 70-FF lots. As 70-FF sales were somewhat limited, we expanded our search to include 70-86-FF lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 70' LOTS								
Sale	Subdivision	City	ISD	Contract Date	Sale Date	Base Lot Price	Front Feet (FF)	\$/FF
1	Mustang Lakes	Celina	Prosper	Jan-2024	In-Contract	\$244,200	74	\$ 3,300
2	Wellspring Estates	Celina	Prosper	Sept-2022	Sep-2022	\$164,500	70	\$ 2,350
3	Bryants First Addition	Prosper	Prosper	Jul-2023	Jul-2023	\$200,000	75	\$ 2,667
4	Star Trail	Prosper	Prosper	Feb-2022	Feb-2022	\$192,038	86	\$ 2,233
5	Windsong Ranch	Prosper	Prosper	Jan-2022	Jan-2022	\$159,750	71	\$ 2,250
<b>Subject</b>	<b>Green Meadows IA Lots</b>	<b>Celina</b>	<b>Celina</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>-</b>

**SALE COMPARABLE 1 – 70’ LOTS**



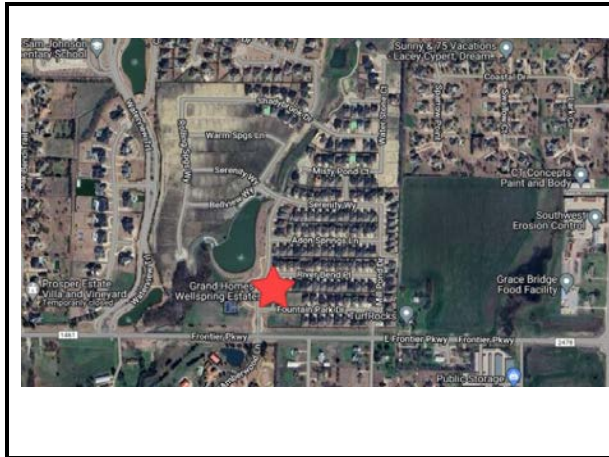
Comparable 1 Aerial



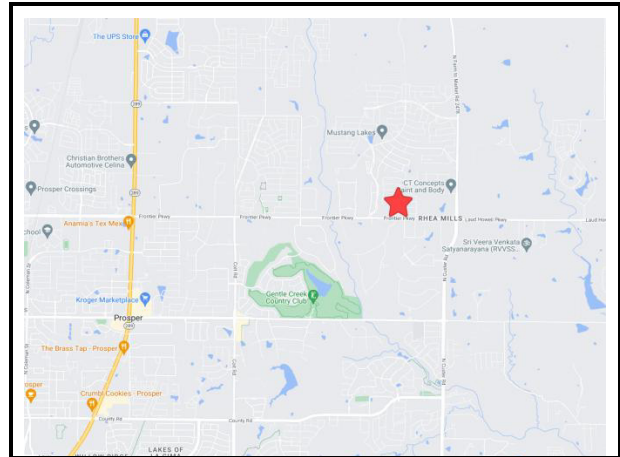
Comparable 1 Map

70-FF Sale Comparable 1				
<b>Property Information</b>				
Subdivision Name	Mustang Lakes			
Property Class	Residential Lot			
Address	North side of Frontier Parkway, East of Wilson Creek, South of Choate Parkway, and West of Farm to Market Road 2478, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
<b>Site Information</b>				
Site Size	9,620	SF	0.22	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
<b>Transaction Information</b>				
Sale Status	In Contract			
Sale/Contract Date	January - 2024			
Seller	Celina 557 Partners LP			
Buyer	Highland Homes - Dallas LLC			
Sale Price	\$244,200			
Price per SF Land	\$25.38			
<b>Price per Front Foot</b>	<b>\$3,300</b>			

**SALE COMPARABLE 2 – 70’ LOTS**



Comparable 2 Aerial



Comparable 2 Map

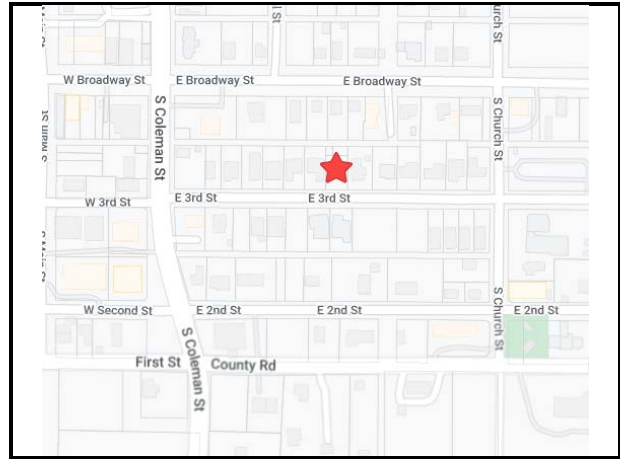
70-FF Sale Comparable 2				
<b>Property Information</b>				
Subdivision Name	Wellspring Estates			
Property Class	Residential Lot			
Address	South of East Ownsby Parkway, West of Farm to Market 2478, North of East Frontier Parkway, and East of Waterview Trail, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
<b>Site Information</b>				
Site Size	9,800	SF	0.22	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
<b>Transaction Information</b>				
Sale Status	Closed			
Sale/Contract Date	September - 2022			
Seller	Sunshine Development Group LTD			
Buyer	First Texas Homes, Inc.			
Sale Price	\$164,500			
Price per SF Land	\$16.79			
<b>Price per Front Foot</b>	<b>\$2,350</b>			



**SALE COMPARABLE 3 – 70’ LOTS**



Comparable 3 Aerial



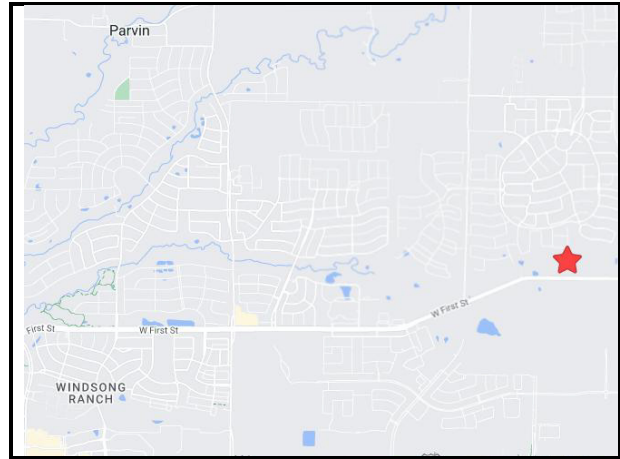
Comparable 3 Map

70-FF Sale Comparable 3			
<b>Property Information</b>			
Subdivision Name	Bryants First Addition		
Property Class	Residential Lot		
Address	North side of Third Street, West of Church Street, Prosper		
County	Collin		
Property Type	Residential / Multiple Units		
<b>Site Information</b>			
Site Size	7,151	SF	0.16 Acres
Zoning Code	DTSF (Downtown Single Family)		
Shape	Rectangular		
Topography	Basically level		
Available Utilities	All available		
<b>Transaction Information</b>			
Sale Status	Closed		
Sale/Contract Date	Jul-2023		
Seller	Jeanna Montgomery		
Buyer	Chizube & Akaolisa Anadu		
Sale Price	\$200,000		
Price per SF Land	\$27.97		
<b>Price per Front Foot</b>	<b>\$2,667</b>		

**SALE COMPARABLE 4 – 70’ LOTS**



Comparable 4 Aerial

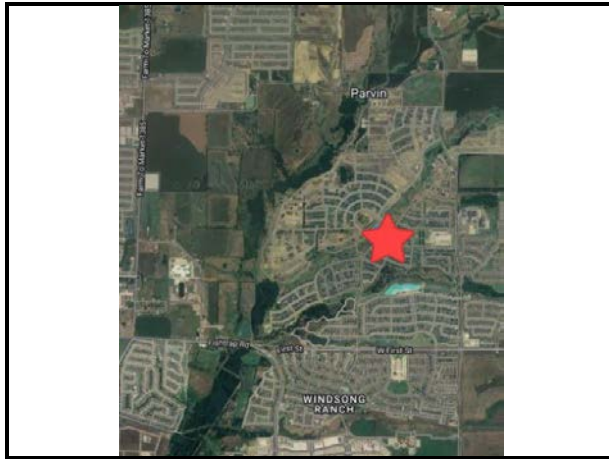


Comparable 4 Map

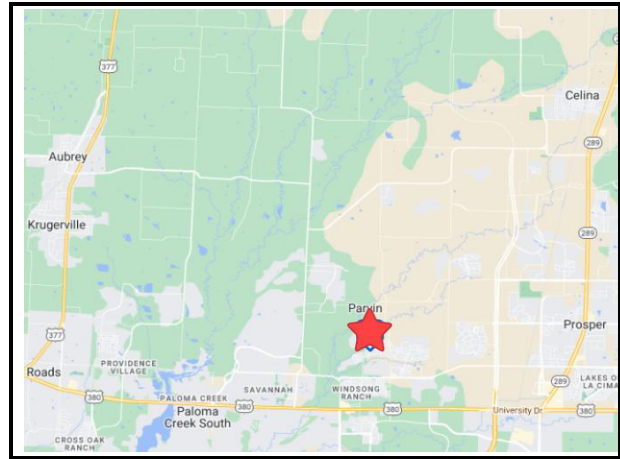
70-FF Sale Comparable 4			
<b>Property Information</b>			
Subdivision Name	Star Trail		
Property Class	Residential Lot		
Address	1871 Ainsbury Way, Prosper; South side of Ainsbury Way, South of Star Trail Parkway, Prosper		
County	Collin		
Property Type	Residential / Multiple Units		
<b>Site Information</b>			
Site Size	12,040	SF	0.28 Acres
Zoning Code	Planned Development		
Shape	Rectangular		
Topography	Basically level		
Available Utilities	All available		
<b>Transaction Information</b>			
Sale Status	Closed		
Sale/Contract Date	Feb-2022		
Seller	Csquare Capital Partners LLC		
Buyer	Highland Homes - Dallas, LLC		
Sale Price	\$192,038		
Price per SF Land	\$15.95		
<b>Price per Front Foot</b>	<b>\$2,233</b>		



**SALE COMPARABLE 5 – 70’ LOTS**



Comparable 5 Aerial



Comparable 5 Map

70-FF Sale Comparable 5			
<b>Property Information</b>			
Subdivision Name	Windsong Ranch		
Property Class	Residential Lot		
Address	South side of Parvin Road, West of North Teel Parkway, North of West First Street, and East of Denton Way, Prosper		
County	Denton		
Property Type	Residential / Multiple Units		
<b>Site Information</b>			
Site Size	8,520	SF	0.20 Acres
Zoning Code	Planned Development		
Shape	Rectangular		
Topography	Basically level		
Available Utilities	All available		
<b>Transaction Information</b>			
Sale Status	Closed		
Sale/Contract Date	Jan-2022		
Seller	Taylor Morrison of Texas Inc.		
Buyer	TSHH, LLC		
Sale Price	\$159,750		
Price per SF Land	\$18.75		
<b>Price per Front Foot</b>	<b>\$2,250</b>		

**SALES ADJUSTMENT COMPARISON GRID –70’ LOTS**

Address:	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Green Meadows IA Lots	Mustang Lakes	Wellspring Estates	Bryants First Addition	Star Trail	Windsong Ranch
	Celina	Celina	Celina	Prosper	Prosper	Prosper
<i>Transactional Adjustments</i>						
Sales Price/FF		\$3,300	\$2,350	\$2,667	\$2,233	\$2,250
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$3,300	\$2,350	\$2,667	\$2,233	\$2,250
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$3,300	\$2,350	\$2,667	\$2,233	\$2,250
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$3,300	\$2,350	\$2,667	\$2,233	\$2,250
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$3,300	\$2,350	\$2,667	\$2,233	\$2,250
Time/Market Conditions		+3%	+5%	+4%	+7%	+7%
<b>ADJUSTED Price/FF:</b>		\$3,399	\$2,468	\$2,773	\$2,389	\$2,408
<i>Physical Adjustments</i>						
Location/Access	Celina, Denton County, North of Parvin Road	0%	0%	-3%	-3%	-2%
Amenities	Amenity Centers, Pool with slides, Jogging Path/Bike Path, Tennis Courts, Playground, Ampitheater, Community Garden, Greenbelt	-2%	+8%	+8%	-8%	-8%
Size	70-FF	0%	0%	0%	+2%	0%
Topography/View	Gently Sloping Improved Lots	0%	0%	0%	0%	0%
Zoning	Development Agreement	0%	0%	0%	0%	0%
<i>Total Net Physical Adj. After Transactional Adj.</i>		-2%	+8%	+5%	-9%	-10%
<b>ADJUSTED Price/FF:</b>		\$3,331	\$2,665	\$2,912	\$2,174	\$2,167
<b>SUMMARY OF COMPARABLE VALUES</b>						
Value Range/FF		\$2,167	to	\$3,331		
Average Value/FF		<b>\$2,650</b>				
Median Value/FF		<b>\$2,665</b>				
Size		<b>70-FF</b>				
Unit Value Indication		<b>\$2650/FF</b>				
Overall Value Indication		<b>\$185,500</b>				
<i>Rounded</i>		<b>\$186,000</b>				

## **ANALYSIS OF ADJUSTMENTS –70’ LOTS**

Our research of comparable lot sales leads us to the determination that there are ample recent transactions within the last few years involving similar properties within the subject’s general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$2,233 to \$3,300 per front foot with Sale 2 being 70-FF lot type, and Sales 1, 3,4, and 5 being 71-86-FF lot types.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

### **Factors to be Considered and Summary of Adjustments**

#### **Transactional Adjustments**

##### ***Property Rights, Financing Terms, and Conditions of Sale***

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

##### ***Expenditures After Purchase***

Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

##### ***Time/Market Conditions***

The residential real estate market increased significantly in 2020 through 2023 but now appears to be cooling following another interest rate decrease. The Federal Home Loan Mortgage Corporation’s 30-year fixed-rate fell by 14 basis points to 6.92% as of September 2024. Price increases from 2020 to 2023 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. Development costs also rose significantly beginning in 2021 as supply chains were disrupted due to the COVID-19 Pandemic, the cost of labor rose, and inflation hit its highest level in decades. We also considered that according to data from Zonda there is a significant shortage of 70-FF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically along the 380 Corridor which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +2% year-over year (YoY) increase throughout 2021, 2022, 2023, and for the first quarter of 2024 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get entitlements approved and engineer and costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +3% and +7% for Market Conditions depending on the sale date.

## **Physical Adjustments**

### ***Location/Access***

The subject property is located in the Celina area of Denton County near the modestly expanding quasi-suburban sprawl of residential neighborhoods north of Dallas. Development in the subject's area has been substantial and consistent throughout the decades. The subject is located approximately 3.5 miles west of South Dallas Parkway which runs north/south, and several community commercial uses are located on this arterial traffic carrier. The area around the subject is primarily residential development and undeveloped rural land.

The subject property is within the Celina ISD and Prosper ISD which are desirable districts with an "A" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. The subject is located on the south side of West Farm to Market 428, east side of Farm to Market 1385, west side of South Legacy Drive, and north side of Parvin Road. Accessibility is considered above average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Similar; Located in Celina, with similar access to commercial uses and is located in Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted 0%
- Sale 2: Similar; Located in Celina, with similar access to commercial uses and is located in Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted 0%
- Sale 3: Superior; Located in Prosper, with superior access to commercial uses and is located in Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted -3%
- Sale 4: Superior; Located in Prosper, with superior access to commercial uses and is located in Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted -3%
- Sale 5: Superior; Located in Prosper, with superior access to commercial uses and is located in Prosper ISD which has an "A" rating and considered to be a similar ISD; Adjusted -2%

### ***Amenities***

The subject property's amenities will consist of an amenity center, pool with slides, dog park, community garden, playground, jogging path/bike path, grilling area, amphitheater, and greenbelt. The subject's amenities are standard for a master planned community the size of Green Meadows PID development. We have made the following adjustments for Amenities:

- Sale 1: Superior; Mustang Lakes, with amenities such as a club house, pool, tennis court, basketball court, greenbelt, jogging path/bike path, park, playground, small lake; Adjusted -2%
- Sale 2: Inferior; Wellspring Estates, with amenities such as a pickleball courts, tennis court, half basketball court, pond, jogging path/bike path, playground; Adjusted +8%
- Sale 3: Inferior; Bryants First Addition, which is an Inner City lot with no amenities; Adjusted +8%
- Sale 4: Superior; Star Trail, Single Lot in a multiphase subdivision, clubhouse, 3 pools, tennis courts, park, jogging path/bike path, Adjusted -8%
- Sale 5: Superior; Windsong Ranch, with amenities such as a lagoon with beach, swimming pool, tennis court, club house, community dock, fitness center, greenbelt, jogging path/bike path, park, playground, and restaurant; Adjusted -8%

### ***Size***

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (foot frontage). Sales 1, 2, 3, and 5 are lots between 70'-75' which can accommodate the same building pad, so no adjustment is made for size to those comparable sales. Sale 4 is larger than a 70' lot which can accommodate a larger building pad and adjusted at +2%.

**Topography/View**

The subject and the comparable sales will each be located on graded and improved land tracts that have been optimized for layout, drainage, and utility access so no adjustment is needed for Topography. Additionally, each of the comparable sales are located on recently developed former agricultural land that is generally lacking remarkable views due to the basically level topography; thus, there is no adjustment needed for View.

**Zoning**

Per Denton County, Green Meadows PID is located in Denton County outside of the city limits of Celina and is designated Agriculture with and is subject to the Development Agreement with the City of Celina. Each of the comparable sales are in planned developments with residential Development Agreements; thus, no adjustment was made for each comparable regarding Zoning.

**Conclusion for 70’ Lots** – The 70’ Lot Sales have an adjusted range of \$2,167/FF to \$3,331/FF with an average of \$2,650/FF and a median of \$2,665/FF. We considered each of the five sales as being reflective of the market and considered increasing development land costs due to increases in material (especially concrete) and labor which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 70’ lots is \$2650/FF, or \$185,500/Lot, rounded to \$186,000/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
70’ Detached Lots	67	2/1/2026-6/1/2026	\$186,000

**Cumulative Retail Lot Value**

We believe a current lot market value of \$2850/FF for 50’ improved lots, \$2615/FF for 60’ improved lots, and \$2650/FF for 70’ lots for Green Meadows PID IA #1 with a Substantial Completion Date of February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate that price, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject’s market indicate that our concluded values per front foot is supported by the current retail price for 50-FF, 60-FF, 70-FF, and lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and throughout 2022 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

As of the current report date, the market value the 50-FF, 60-FF, and 70-FF lot prices for IA #1 of the Green Meadows PID are shown below:

GREEN MEADOWS PID IA LOTS					
Total Lots	Feet Frontage (FF)	Retail Price/Lot Rounded	Projected Completion Date	Price/FF (\$/FF)	Total Retail Value (\$)
321	50 FF	\$143,000	2/1/2026-6/1/2026	\$2850/FF	\$45,903,000
232	60 FF	\$157,000	2/1/2026-6/1/2026	\$2615/FF	\$36,424,000
195	70 FF	\$186,000	2/1/2026-6/1/2026	\$2650/FF	\$36,270,000
<b>748</b>					<b>\$118,597,000</b>

Next, we will develop an opinion of value for the 748 residential lots in IA #1 using the Discount Cash Flow analysis.

**DISCOUNT CASH FLOW ANALYSIS – IA #1**

Having completed the retail lot value conclusions using aspects of the Sales Comparison Approach, we will develop an opinion of the market value of the property to a single purchaser, as of the substantial completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of the substantial completion date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future period. Valuations involving such properties must fully reflect all appropriate deductions and discounts as well as the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are those which reflect all expenses associated with the disposition of the property as well as the cost of capital and entrepreneurial profit. **This latter item of entrepreneurial profit is accounted for herein as part of the discount rate.**

The various assumptions necessary to complete our Discounted Cash Flow (DCF) analysis for the developed subject subdivision are discussed in detail in the following paragraphs.

**Absorption Schedule**

As discussed in detail in the “Absorption Analysis” section of the report, our quarterly takedown projections are summarized as follows for the IA #1 portion of the subject property, based on the competing subdivisions within the subject property’s market area:

**TAKEDOWN SCHEDULE FOR GREEN MEADOWS PID IA G1A, IA G1B, IA P1, and IA K1**

Projected Quarterly Absorption Summary - Green Meadows PID IA G1A Lots									
Lot Type	Feb-2026	Apr-2026	Jul-2026	Oct-2026	Jan-2027	Apr-2027	Jul-2027	Jan-2027	TOTAL
50-FF	12	18	18	18	12	-	-	-	78
60-FF	8	12	12	12	11	-	-	-	55
70-FF	8	12	12	12	12	12	5	-	73
<b>Total</b>	<b>28</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>35</b>	<b>12</b>	<b>5</b>	<b>0</b>	

Projected Quarterly Absorption Summary - Green Meadows PID IA G1B Lots									
Lot Type	Feb-2026	Apr-2026	Jul-2026	Oct-2026	Jan-2027	Apr-2027	Jul-2027	Jan-2027	TOTAL
50-FF	12	18	18	18	12	-	-	-	78
60-FF	8	12	12	12	12	12	5	-	73
70-FF	8	12	8	-	-	-	-	-	28
<b>Total</b>	<b>28</b>	<b>42</b>	<b>38</b>	<b>30</b>	<b>24</b>	<b>12</b>	<b>5</b>	<b>0</b>	

Projected Quarterly Absorption Summary - Green Meadows PID IA P1 Lots									
Lot Type	Jul-2026	Oct-2026	Jan-2027	Apr-2027	Jul-2027	Oct-2027	Jan-2028	Apr-2028	TOTAL
50-FF	18	18	18	18	18	18	18	2	128
60-FF	12	12	12	12	12	9	-	-	69
70-FF	12	12	12	12	12	7	-	-	67
<b>Total</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>34</b>	<b>18</b>	<b>2</b>	

Projected Quarterly Absorption Summary - Green Meadows PID IA K1 Lots									
Lot Type	Jul-2026	Oct-2026	Jan-2027	Apr-2027	Jul-2027	Oct-2027	Jan-2028	Apr-2028	TOTAL
50-FF	18	18	1	-	-	-	-	-	37
60-FF	12	12	11	-	-	-	-	-	35
70-FF	12	12	3	-	-	-	-	-	27
<b>Total</b>	<b>42</b>	<b>42</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

*Note: Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis.*

### **Value Increases During Sellout Period**

Historically, in the sales contracts of volume lot sales in the marketplace, the lot prices are typically adjusted upward at rates ranging from the Wall Street Journal prime rate (8.50% as of May 2024), plus 1% (annually) up to 9.5%. Contracts between land developers and homebuilders typically have a 6% escalation which is consistent with recent improved lot appreciations over many years. Thus, for valuation purposes moving forward, we have estimated an annual appreciation on the subject's lots at 6% per year which is also consistent with residential real estate appreciation over the past decade. This is also considered reasonable given the lack of available lot and housing supply in the area and the historical realization of interest carry/appreciation by developers within DFW and surrounding market areas.

### **EXPENSES**

**Taxes** are paid by the developer annually. The estimation of taxes paid per period is based upon the principle that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. The current tax rate for the bulk of the property is **0.02888385 per \$100 assessed (2.805985%** for the purpose of our analysis) with taxes due to Denton County, Celina ISD or Prosper ISD, MI PID Levy, and TRE/PID Levy.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builders will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of \$100,000 then the assessed value will be \$70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

**Cost of Sales** has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

**Marketing expenses** are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders. This is confirmed by the contracts the developer has where the lots are presold to homebuilders.

### **Discount Rate**

The discount rate utilized herein is essentially an anticipated Internal Rate of Return (IRR) for the subject property, as estimated from investment performance realized by market participants. The discount rate used for the subject should be less than the typical land development project because the value we are determining is for a fully entitled project in a city-approved Development Agreement which will have less risk exposure than that of a raw land development. Therefore, it is appropriate to utilize a discount rate adjusted for this risk. The appraisers have included a recent discount rate survey published by Realty Rates that considers the market conditions, risk, entrepreneurial profit, and liquidity inherent in a project such as the subject that developers of similar properties would consider.

RealtyRates.com DEVELOPER SURVEY - 3rd Quarter 2024*						
Texas - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
<b>Site-Built Residential</b>	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%
<b>Manufactured Housing</b>	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%
<b>Business Parks</b>	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%
<b>Industrial Parks</b>	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 Copyright 2024 RealtyRates.com™

As shown, the minimum actual rates in Texas range from 15.70% for less than 100 units; 16.09% for 100 to 500 units; and 16.48% for 500+ units with minimum pro-forma rates ranging from 15.07% to 16.20%.

The 7<sup>th</sup> Edition of the Dictionary of Real Estate Appraisal defines this term as “a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely, the risk associated with a project may increase near the end of its term, necessitating a special adjustment to the discount rate. Such discount rates include all the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk”. Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has numerous purchasers of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an IRR that is similar to the minimum pro-forma rates provided by the Realty Rates “Developer Survey” for Texas of 15.83% for 500+ units; and 16.48% for likewise minimum actual rates is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject’s submarket area, we have selected a discount rate of **15%** for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject (assisted by involvement of the PID), as well as the current market conditions. To be consistent with the timing of the cash flows, the annual income stream is discounted quarterly with an annual DCF also included. With each of the required elements now identified, we will analyze the subject in DCF analyses as shown on the following pages.



**GREEN MEADOWS PID– DISCOUNT CASH FLOW (DCF) ANALYSIS**

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Substantial Completion February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1:
- Retail lot values: \$144,000 for 50-FF lots
- Retail lot values: \$156,000 for 60-FF lots
- Retail lot values: \$186,000 for 70-FF lots
- 6% Appreciation/Year (1.5%/Quarter)
- 50-FF Lots sell at 6/Month starting in mid 2Q2025, then we proceed with the following quarter at 18/Quarter
- 60-FF Lots sell at 4/Month starting in mid 2Q2025, then we proceed with the following quarter at 12/Quarter
- 70-FF Lots sell at 4/Month starting in mid 2Q2025, then we proceed with the following quarter at 12/Quarter
- Discount Rate 15% (3.75%/Quarter)
- Tax Expense on Inventory is 2.805985%/Year, 0.70149625%/Quarter, but is discounted 30%
- Sales Expense (1.5% of Revenue)

As Substantial Completion on the lots is expected to be complete by February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1, we believe lot prices will continue to appreciate closer to their historical average which is closer to 6% per year. Thus, we have concluded that current retail lot values will be similar when the lots are finished, and takedowns begin. Therefore, as of the expected Substantial Completion Date, **the retail lot value for 50’ lots is \$143,000 with a total cumulative of \$45,903,000, the retail lot value for 60’ lots is \$157,000 with a total cumulative value of \$36,424,000, the retail lot value for 70’ lots is \$186,000 with a total cumulative value of \$36,270,000 as shown in the following table:**

GREEN MEADOWS PID IA LOTS				
Lot Type	Concluded Retail Value	Projected Completion Date	Number of Lots	Total Value
50' Detached Lots	\$143,000	2/1/2026-6/1/2026	321	\$45,903,000
60' Detached Lots	\$157,000	2/1/2026-6/1/2026	232	\$36,424,000
70' Detached Lots	\$186,000	2/1/2026-6/1/2026	195	\$36,270,000
			<b>748</b>	<b>\$118,597,000</b>

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. The annual DCF is a more rudimentary calculation, and we consider the quarterly analysis to be more accurate. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 3.75% is applied to each period. Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the expected Substantial Completion Date is February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1, we will analyze on a quarterly basis starting in the quarter of the anticipated completion date, then proceeding at the beginning of each quarter thereafter.

**DISCOUNT CASH FLOW DATA – GREEN MEADOWS IA G1A LOTS (QUARTERLY)**

Lot Type - IA G1A	Feb. 2026			Apr. 2026			Jul. 2026		
	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	78	\$ 143,000	12	66	\$ 145,145	18	48	\$ 147,322	18
60-FF Lot	55	\$ 157,000	8	47	\$ 159,355	12	35	\$ 161,745	12
70-FF Lot	73	\$ 186,000	8	65	\$ 188,790	12	53	\$ 191,622	12
<b>Revenue</b>		<b>\$ 4,460,000</b>			<b>\$ 6,790,350</b>			<b>\$ 6,892,205</b>	
<i>Tax Expense</i>		<i>\$ (112,892)</i>			<i>\$ (148,904)</i>			<i>\$ (116,159)</i>	
<i>Sales Expense</i>		<i>\$ (66,900)</i>			<i>\$ (101,855)</i>			<i>\$ (103,383)</i>	
<b>Net Income</b>		<b>\$ 4,280,208</b>			<b>\$ 6,539,591</b>			<b>\$ 6,672,663</b>	
<b>Factor</b>		<b>0.988421</b>			<b>0.960056</b>			<b>0.927090</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 4,230,647</b>			<b>\$ 6,278,372</b>			<b>\$ 6,186,161</b>	



Lot Type - IA G1A	Oct. 2026			Jan. 2027			Apr. 2027		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	30	\$ 149,532	18	12	\$ 151,775	12	0	-	-
60-FF Lot	23	\$ 164,172	12	11	\$ 166,634	11	0	-	-
70-FF Lot	41	\$ 194,496	12	29	\$ 197,414	12	17	\$ 200,375	12
<b>Revenue</b>		<b>\$ 6,995,588</b>			<b>\$ 6,023,238</b>			<b>\$ 2,404,498</b>	
<i>Tax Expense</i>		<i>\$ (82,399)</i>			<i>\$ (47,600)</i>			<i>\$ (17,287)</i>	
<i>Sales Expense</i>		<i>\$ (104,934)</i>			<i>\$ (90,349)</i>			<i>\$ (36,067)</i>	
<b>Net Income</b>		<b>\$ 6,808,256</b>			<b>\$ 5,885,290</b>			<b>\$ 2,351,143</b>	
<b>Factor</b>		<b>0.895257</b>			<b>0.864516</b>			<b>0.834831</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 6,095,136</b>			<b>\$ 5,087,928</b>			<b>\$ 1,962,807</b>	



Lot Type - IA G1A	Jul. 2027		
	Units Available	Lot Price	Sales
50-FF Lot	-	-	-
60-FF Lot	-	-	-
70-FF Lot	5	\$ 203,380	5
<b>Revenue</b>		<b>\$1,016,902</b>	
<i>Tax Expense</i>		<i>\$ (3,441)</i>	
<i>Sales Expense</i>		<i>\$ (15,254)</i>	
<b>Net Income</b>		<b>\$ 998,208</b>	
<b>Factor</b>		<b>0.810874</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 809,421</b>	



<b>Total Net Revenue Over ~7 Quarters</b>	<b>\$33,535,359</b>
<b>Net Present Value (As-Is) at 15% Discount Rate</b>	<b>\$30,650,471</b>
<b><u>IA G1A Rounded</u></b>	<b>\$30,660,000</b>

**DISCOUNT CASH FLOW DATA –GREEN MEADOWS PID IA #1 G1A LOTS (ANNUAL)**

Lot Type - IA G1A	2026			2027		
	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	78	\$ 145,145	66	12	\$ 152,983	12
60-FF Lot	55	\$ 159,355	44	11	\$ 167,889	11
70-FF Lot	73	\$ 188,790	44	29	\$ 197,286	29
<b>Revenue</b>		<b>\$ 24,897,950</b>			<b>\$ 9,403,857</b>	
<i>Tax Expense</i>		<i>\$ (458,340)</i>			<i>\$ (174,990)</i>	
<i>Sales Expense</i>		<i>\$ (373,469)</i>			<i>\$ (141,058)</i>	
<b>Net Income</b>		<b>\$ 24,066,141</b>			<b>\$ 9,087,809</b>	
<b>Factor</b>		<b>0.954481</b>			<b>0.854506</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 22,970,679</b>			<b>\$ 7,765,584</b>	



<b>Total Net Revenue Over ~2 Years</b>	<b>\$33,153,949</b>
<b>Net Present Value (As-Is) at 15% Discount Rate</b>	<b>\$30,736,263</b>
<b><u>IA G1A Rounded</u></b>	<b>\$30,730,000</b>

*Note: Annual discount and appreciation calculations are averaged to the middle of the period.*

**DCF Conclusion (Improved 50’, 60’, and 70’ Lots)**

Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the improved lots in IA #1 G1A of the Green Meadows PID in a bulk sale transaction would be between \$30,736,263 and \$30,650,471, which is approximately \$85,792 (-0.28%) different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Green Meadows PID IA #1 G1A “Upon Completion” with an Effective Date of February 1, 2026, for 206 lots is \$30,660,000 (\$148,900/Lot).**

**INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSION – IA #1 G1A**

Using the Discount Cash Flow Analysis to determine the net present value as of the expected substantial completion date (February 1, 2026), we have determined the following value for Green Meadows PID IA #1 G1A, as shown in the table below:

INCOME APPROACH VALUE INDICATION	
<i>Fee Simple Interest, Complete Feb. 1, 2026</i>	<b>\$30,660,000</b>
<i>IA G1A</i>	<b>(\$148,900/Lot)</b>
<b>206 Improved Lots</b>	<b>Rounded</b>

**DISCOUNT CASH FLOW DATA – GREEN MEADOWS IA G1B LOTS (QUARTERLY)**

Lot Type - IA G1B	Feb. 2026			Apr. 2026			Jul. 2026		
	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	78	\$ 143,000	12	66	\$ 145,145	18	48	\$ 147,322	18
60-FF Lot	73	\$ 157,000	8	65	\$ 159,355	12	53	\$ 161,745	12
70-FF Lot	28	\$ 186,000	8	20	\$ 188,790	12	8	\$ 191,622	8
<b>Revenue</b>		<b>\$ 4,460,000</b>			<b>\$ 6,790,350</b>			<b>\$ 6,125,718</b>	
<i>Tax Expense</i>		<i>\$ (94,134)</i>			<i>\$ (120,346)</i>			<i>\$ (87,173)</i>	
<i>Sales Expense</i>		<i>\$ (66,900)</i>			<i>\$ (101,855)</i>			<i>\$ (91,886)</i>	
<b>Net Income</b>		<b>\$ 4,298,966</b>			<b>\$ 6,568,149</b>			<b>\$ 5,946,659</b>	
<b>Factor</b>		<b>0.988421</b>			<b>0.960056</b>			<b>0.927090</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 4,249,187</b>			<b>\$ 6,305,789</b>			<b>\$ 5,513,090</b>	



Lot Type - IA G1B	Oct. 2026			Jan. 2027			Apr. 2027		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	30	\$ 149,532	18	12	\$ 151,775	12	0	-	-
60-FF Lot	41	\$ 164,172	12	29	\$ 166,634	12	17	\$ 169,134	12
70-FF Lot	0	-	-	-	-	-	-	-	-
<b>Revenue</b>		<b>\$ 4,661,634</b>			<b>\$ 3,820,909</b>			<b>\$ 2,029,603</b>	
<i>Tax Expense</i>		<i>\$ (56,926)</i>			<i>\$ (33,767)</i>			<i>\$ (14,592)</i>	
<i>Sales Expense</i>		<i>\$ (69,925)</i>			<i>\$ (57,314)</i>			<i>\$ (30,444)</i>	
<b>Net Income</b>		<b>\$ 4,534,783</b>			<b>\$ 3,729,828</b>			<b>\$ 1,984,567</b>	
<b>Factor</b>		<b>0.895257</b>			<b>0.864516</b>			<b>0.834831</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 4,059,795</b>			<b>\$ 3,224,496</b>			<b>\$ 1,656,778</b>	



Lot Type - IA G1B	Jul. 2027		
	Units Available	Lot Price	Sales
50-FF Lot	-	-	-
60-FF Lot	5	\$ 171,671	5
70-FF Lot	-	-	-
<b>Revenue</b>		<b>\$ 858,353</b>	<b>-</b>
<i>Tax Expense</i>		<i>\$ (2,904)</i>	
<i>Sales Expense</i>		<i>\$ (12,875)</i>	
<b>Net Income</b>		<b>\$ 842,574</b>	
<b>Factor</b>		<b>0.810874</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 683,221</b>	



<b>Total Net Revenue Over ~7 Quarters</b>	<b>\$27,905,525</b>
<b>Net Present Value (As-Is) at 15% Discount Rate</b>	<b>\$25,692,356</b>
<b><u>IA G1B Rounded</u></b>	<b>\$25,690,000</b>

**DISCOUNT CASH FLOW DATA –GREEN MEADOWS PID IA #1 G1B LOTS (ANNUAL)**

Lot Type - IA G1B	2026			2027		
	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	78	\$ 145,145	66	12	\$ 152,983	12
60-FF Lot	73	\$ 159,355	44	29	\$ 167,889	29
70-FF Lot	28	\$ 188,790	28	0	-	-
<b>Revenue</b>		<b>\$ 21,877,310</b>			<b>\$ 6,704,582</b>	
<i>Tax Expense</i>		<i>\$ (382,186)</i>			<i>\$ (124,761)</i>	
<i>Sales Expense</i>		<i>\$ (328,160)</i>			<i>\$ (100,569)</i>	
<b>Net Income</b>		<b>\$ 21,166,964</b>			<b>\$ 6,479,253</b>	
<b>Factor</b>		<b>0.954481</b>			<b>0.854506</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 20,203,470</b>			<b>\$ 5,536,558</b>	



<b>Total Net Revenue Over ~2 Years</b>	<b>\$27,646,217</b>
<b>Net Present Value (As-Is) at 15% Discount Rate</b>	<b>\$25,740,028</b>
<b><u>IA G1B Rounded</u></b>	<b>\$25,740,000</b>

**DCF Conclusion (Improved 50’, 60’, and 70’ Lots)**

Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the improved lots in IA #1 G1B of the Green Meadows PID in a bulk sale transaction would be between \$25,740,028 and \$25,692,356, which is approximately \$47,672 (-0.19%) different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Green Meadows PID IA #1 G1B “Upon Completion” with an Effective Date of February 1, 2026, for 179 lots is \$25,690,000 (\$143,600/Lot).**

**INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSION – IA #1 G1B**

Using the Discount Cash Flow Analysis to determine the net present value as of the expected substantial completion date (February 1, 2026), we have determined the following value for Green Meadows PID IA #1 G1B, as shown in the table below:

INCOME APPROACH VALUE INDICATION	
<i>Fee Simple Interest, Complete Feb. 1, 2026</i>	<b>\$25,690,000</b>
<i>IA G1B</i>	<b>(\$143,600/Lot)</b>
<i>179 Improved Lots</i>	<b>Rounded</b>

**DISCOUNT CASH FLOW DATA – GREEN MEADOWS IA P1 LOTS (QUARTERLY)**

Lot Type - IA P1	Jul. 2026			Oct. 2026			Jan. 2027		
	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	128	\$ 143,000	18	110	\$ 145,145	18	92	\$ 147,322	18
60-FF Lot	69	\$ 157,000	12	57	\$ 159,355	12	45	\$ 161,745	12
70-FF Lot	67	\$ 186,000	8	59	\$ 188,790	12	47	\$ 191,622	12
<b>Revenue</b>		<b>\$ 5,946,000</b>			<b>\$ 6,790,350</b>			<b>\$ 6,892,205</b>	
<i>Tax Expense</i>		<i>\$ (140,743)</i>			<i>\$ (183,653)</i>			<i>\$ (151,430)</i>	
<i>Sales Expense</i>		<i>\$ (89,190)</i>			<i>\$ (101,855)</i>			<i>\$ (103,383)</i>	
<b>Net Income</b>		<b>\$ 5,716,067</b>			<b>\$ 6,504,842</b>			<b>\$ 6,637,392</b>	
<b>Factor</b>		<b>0.988421</b>			<b>0.960056</b>			<b>0.927090</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 5,649,879</b>			<b>\$ 6,245,011</b>			<b>\$ 6,153,461</b>	



Lot Type - IA P1	Apr. 2027			Jul. 2027			Oct. 2027		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	74	\$ 149,532	18	56	\$ 151,775	18	38	\$ 154,052	18
60-FF Lot	33	\$ 164,172	12	21	\$ 166,634	12	9	\$ 169,134	9
70-FF Lot	35	\$ 194,496	12	23	\$ 197,414	12	11	\$ 200,375	11
<b>Revenue</b>		<b>\$ 6,995,588</b>			<b>\$ 7,100,522</b>			<b>\$ 6,499,254</b>	
<i>Tax Expense</i>		<i>\$ (118,199)</i>			<i>\$ (83,937)</i>			<i>\$ (48,620)</i>	
<i>Sales Expense</i>		<i>\$ (104,934)</i>			<i>\$ (106,508)</i>			<i>\$ (97,489)</i>	
<b>Net Income</b>		<b>\$ 6,772,456</b>			<b>\$ 6,910,078</b>			<b>\$ 6,353,146</b>	
<b>Factor</b>		<b>0.895257</b>			<b>0.864516</b>			<b>0.834831</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 6,063,086</b>			<b>\$ 5,973,873</b>			<b>\$ 5,303,804</b>	



Lot Type - IA P1	Jan. 2028			Apr. 2028		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	20	\$ 156,362	18	2	\$ 158,708	2
60-FF Lot	0	-	-	-	-	-
70-FF Lot	0	-	-	-	-	-
<b>Revenue</b>		<b>\$2,814,523</b>			<b>\$ 317,416</b>	
<i>Tax Expense</i>		<i>\$ (15,871)</i>			<i>\$ (1,074)</i>	
<i>Sales Expense</i>		<i>\$ (42,218)</i>			<i>\$ (4,761)</i>	
<b>Net Income</b>		<b>\$2,756,434</b>			<b>\$ 311,580</b>	
<b>Factor</b>		<b>0.806165</b>			<b>0.783031</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$2,222,142</b>			<b>\$ 243,977</b>	



<b>Total Net Revenue Over ~8 Quarters</b>	<b>\$41,961,995</b>
<b>Net Present Value (As-Is) at 15% Discount Rate</b>	<b>\$37,855,233</b>
<b>IA P1 Rounded</b>	<b>\$37,860,000</b>

**DISCOUNT CASH FLOW DATA –GREEN MEADOWS PID IA #1 P1 LOTS (ANNUAL)**

Lot Type - IA P1	2026			2027			2028		
	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	128	\$ 145,145	36	92	\$ 152,983	72	20	\$ 158,704	8
60-FF Lot	69	\$ 159,355	24	45	\$ 167,889	45	0	-	-
70-FF Lot	67	\$ 188,790	24	43	\$ 197,286	43	0	-	-
<b>Revenue</b>		<b>\$ 13,580,700</b>			<b>\$ 27,053,059</b>			<b>\$ 1,269,635</b>	
<i>Tax Expense</i>		<i>\$ (571,418)</i>			<i>\$ (611,288)</i>			<i>\$ (10,739)</i>	
<i>Sales Expense</i>		<i>\$ (203,711)</i>			<i>\$ (405,796)</i>			<i>\$ (19,045)</i>	
<b>Net Income</b>		<b>\$ 12,805,572</b>			<b>\$ 26,035,975</b>			<b>\$ 1,239,852</b>	
<b>Factor</b>		<b>0.954481</b>			<b>0.849544</b>			<b>0.783031</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 12,222,678</b>			<b>\$ 22,118,705</b>			<b>\$ 970,842</b>	



<b>Total Net Revenue Over ~3 Years</b>	<b>\$40,081,398</b>
<b>Net Present Value (As-Is) at 15% Discount Rate</b>	<b>\$35,312,225</b>
<b><u>IA P1 Rounded</u></b>	<b>\$35,310,000</b>

**DCF Conclusion (Improved 50’, 60’, and 70’ Lots)**

Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the improved lots in IA #1IA P1 of the Green Meadows PID in a bulk sale transaction would be between \$35,312,225 and \$37,855,233, which is approximately \$2,543,009 (7.20%) different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Green Meadows PID IA #1IA P1 “Upon Completion” with an Effective Date of July 1, 2026, for 264 lots is \$37,860,000 (\$143,400/Lot).**

**INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSION – IA P1**

Using the Discount Cash Flow Analysis to determine the net present value as of the expected substantial completion date (July 1, 2026), we have determined the following value for Green Meadows PID IA P1, as shown in the table below:

<b>INCOME APPROACH VALUE INDICATION</b>	
<b>Fee Simple Interest, Complete July 1, 2026</b>	<b>\$37,860,000</b>
<b>IA P1</b>	<b>(\$143,400/Lot)</b>
<b>264 Improved Lots</b>	<b>Rounded</b>

**DISCOUNT CASH FLOW DATA – GREEN MEADOWS IA K1 LOTS (QUARTERLY)**

Lot Type - IA K1	Jul. 2026			Oct. 2026			Jan. 2027		
	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	37	\$ 143,000	18	19	\$ 145,145	18	1	\$ 147,322	1
60-FF Lot	35	\$ 157,000	12	23	\$ 159,355	12	11	\$ 161,745	11
70-FF Lot	27	\$ 186,000	12	15	\$ 188,790	12	3	\$ 191,622	3
<b>Revenue</b>		<b>\$ 6,690,000</b>			<b>\$ 6,790,350</b>			<b>\$ 2,501,386</b>	
<i>Tax Expense</i>		<i>\$ (53,484)</i>			<i>\$ (46,968)</i>			<i>\$ (12,695)</i>	
<i>Sales Expense</i>		<i>\$ (100,350)</i>			<i>\$ (101,855)</i>			<i>\$ (37,521)</i>	
<b>Net Income</b>		<b>\$ 6,536,166</b>			<b>\$ 6,641,527</b>			<b>\$ 2,451,171</b>	
<b>Factor</b>		<b>0.988421</b>			<b>0.960056</b>			<b>0.927090</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 6,460,482</b>			<b>\$ 6,376,236</b>			<b>\$ 2,272,457</b>	



<b>Total Net Revenue Over ~3 Quarters</b>	<b>\$15,628,864</b>
<b>Net Present Value (As-Is) at 15% Discount Rate</b>	<b>\$15,109,175</b>
<b><u>IA K1 Rounded</u></b>	<b>\$15,110,000</b>



**DISCOUNT CASH FLOW DATA –GREEN MEADOWS PID IA #1 K1 LOTS (ANNUAL)**

Lot Type - IA K1	2026			2027		
	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales
50-FF Lot	37	\$ 145,145	36	1	-	1
60-FF Lot	35	\$ 159,355	24	11	\$ 167,889	11
70-FF Lot	27	\$ 188,790	24	3	-	3
<b>Revenue</b>		<b>\$ 13,580,700</b>			<b>\$ 1,846,782</b>	
<i>Tax Expense</i>		<i>\$ (217,144)</i>			<i>\$ (3,124)</i>	
<i>Sales Expense</i>		<i>\$ (203,711)</i>			<i>\$ (27,702)</i>	
<b>Net Income</b>		<b>\$ 13,159,846</b>			<b>\$ 1,815,956</b>	
<b>Factor</b>		<b>0.954481</b>			<b>0.905744</b>	
<b>Income Net Present Value (NPV)</b>		<b>\$ 12,560,825</b>			<b>\$ 1,644,792</b>	



<b>Total Net Revenue Over ~2 Years</b>	<b>\$14,975,802</b>
<b>Net Present Value (As-Is) at 15% Discount Rate</b>	<b>\$14,205,617</b>
<b>IA K1 Rounded</b>	<b>\$14,200,000</b>

**DCF Conclusion (Improved 50’, 60’, and 70’ Lots)**

Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the improved lots in IA K1 of the Green Meadows PID in a bulk sale transaction would be between \$14,205,617 and \$15,109,175, which is approximately \$903,558 (6.36%) different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Green Meadows PID IA K1 “Upon Completion” with an Effective Date of July 1, 2026 for 99 lots is \$15,110,000 (\$152,600/Lot).**

**INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSION – IA #1 K1**

Using the Discount Cash Flow Analysis to determine the net present value as of the expected substantial completion date (July 1, 2026), we have determined the following value for Green Meadows PID IA K1, as shown in the table below:

INCOME APPROACH VALUE INDICATION	
<i>Fee Simple Interest, Complete July 1, 2026</i>	<b>\$15,110,000</b>
<i>IA K1</i>	<b>(\$152,600/Lot)</b>
<b>99 Improved Lots</b>	<b>Rounded</b>

Next, we will consider the market value of the 643.029 acres of land in the Remainder Area of Green Meadows PID which will consist of 1,826 residential lots (Paper Lots) of various sizes.

**VALUATION – RESIDENTIAL PAPER LOTS IN REMAINDER AREA**

**Remainder Area (1,826 Residential Paper Lots on 643.029-AC)**

*\*Note: A paper lot consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.*

***Cost Approach***

The Cost Approach is the most appropriate method of valuing paper residential lots. We concluded the paper lot value by conducting the following steps:

- Estimate the value of the underlying land (*Sales Comparison Approach used here*)
- Gather hard and soft costs associated to develop the raw ground to paper lot status which includes engineering, zoning costs, and any infrastructure to the site
- Apply appropriate entrepreneurial incentive that a developer would expect to undertake the project
- Subtract depreciation from the project (if any)
- Add in the value of the underlying land

***Income Approach***

Since paper lots are not yet improved to a state where they are available for sale to builders or other end users, the Income Approach is not applicable for the Remainder Area and was not developed.

***Sales Comparison Approach***

Sales of paper lots are relatively infrequent in the market. Our due diligence could not uncover sufficient reliable sales to develop the Sales Comparison Approach for the paper lots, so we did not develop this approach for the residential paper lots in the Remainder Area. Aspects of the Sales Comparison Approach were utilized to determine the market value of the vacant land prior to any development.

Use of the approaches for the valuation of the paper lots on 643.029 acres in the Remainder Area is summarized as follows:

<b><i>Approach</i></b>	<b><i>Applicability to Subject</i></b>	<b><i>Use in Assignment</i></b>
<b>Cost Approach</b>	<i>Appropriate Since the Paper Lots will be Improved from an Undeveloped State</i>	<i>Utilized</i>
<b>Income (Subdivision Development) Approach</b>	<i>Not Appropriate Since the Land is Not Utilized to Generate Income and Land is Not Yet Developed</i>	<i>Not Utilized</i>
<b>Sales Comparison Approach</b>	<i>Aspects Used in Cost Approach to Determine the Value of the Land Prior to Development</i>	<i>Partially Utilized</i>

**COST APPROACH: RESIDENTIAL PAPER LOTS IN REMAINDER AREA**

The Cost Approach is based on the principle of substitution, which states that a prudent buyer would not pay more for a property than the cost to acquire a similar site and construct the equivalent improvements without undue delay. This approach is most beneficial when appraising a proposed or recently developed project. The methodology provides information that contrasts with information from the income capitalization and sales comparison approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction.

The Cost Approach include three basic elements:

1. Land Value – Raw Land Sales
2. Reproduction Cost – Engineering, Platting, Zoning, Major Improvements/Development Costs
3. Accrued Depreciation

Green Meadows PID has a total of 849.308-AC in size. Thus far in our analysis, the 748 improved single-family residential lots in IA #1, which consists of four improvement areas called IA G1A, IA G1B, IA P1, and IA K1 (on 206.271-AC) has been separately valued. The Remainder Area contains tracts 3B, 4, 7, 8, 9, and 12, with 643.029-AC consisting of 1,826 residential paper lots.

*NOTE: A paper lot consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.*

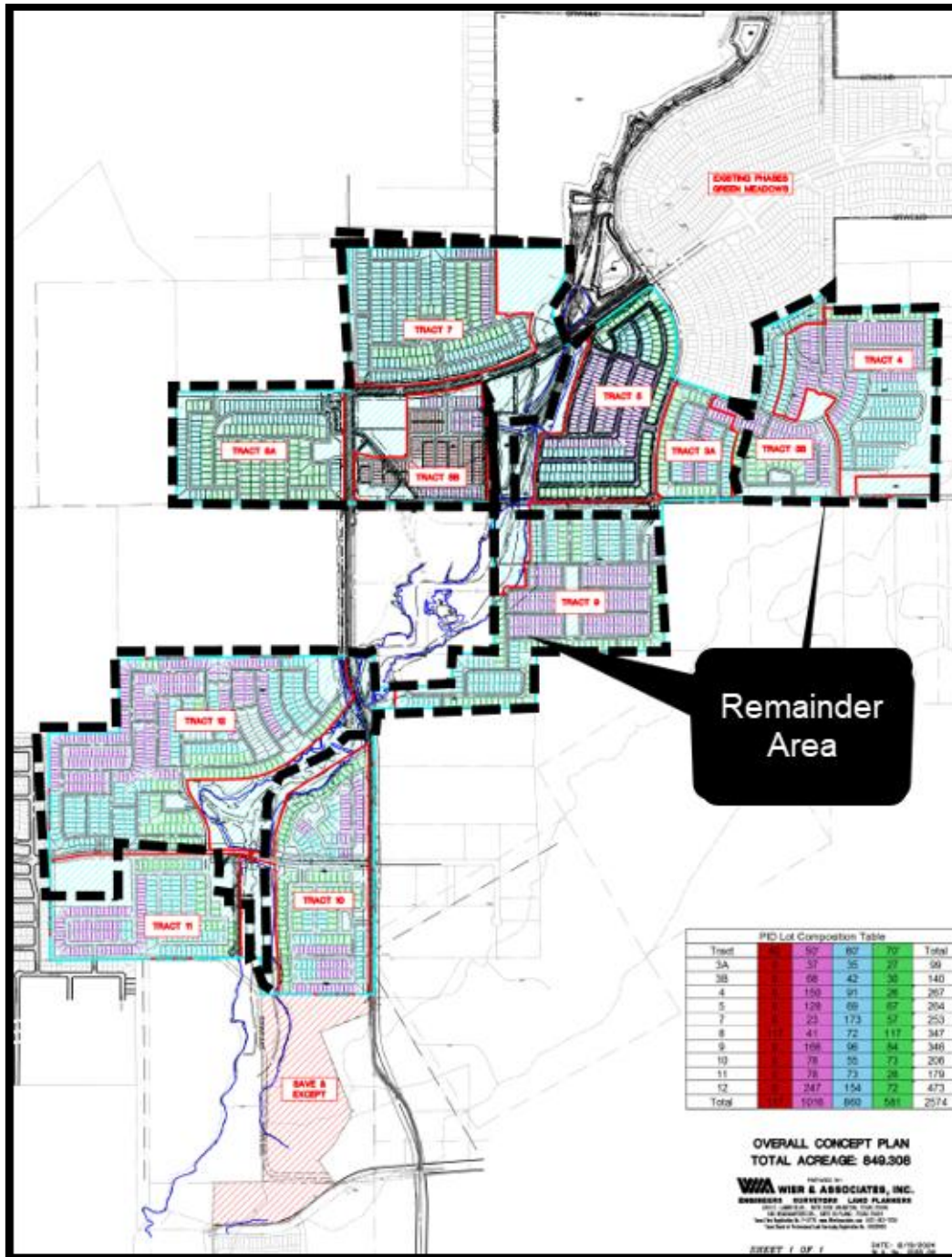
The first step in the Cost Approach is to develop a value opinion of the underlying land involved. The land valuation is really a separate appraisal of the land of the subject property, under the assumption that no improvement has been performed. Therefore, we have elected to treat the site valuation as a separate component of the appraisal process. After we reach an opinion of value for the subject site, that value will be transferred to the calculation of the Cost Approach in the following section of this report.

We have utilized the Sales Comparison Approach to determine the market value of the land. Based on research, buyers in the market typically rely heavily on the following unit of comparison for land valuation of over 100 acres:

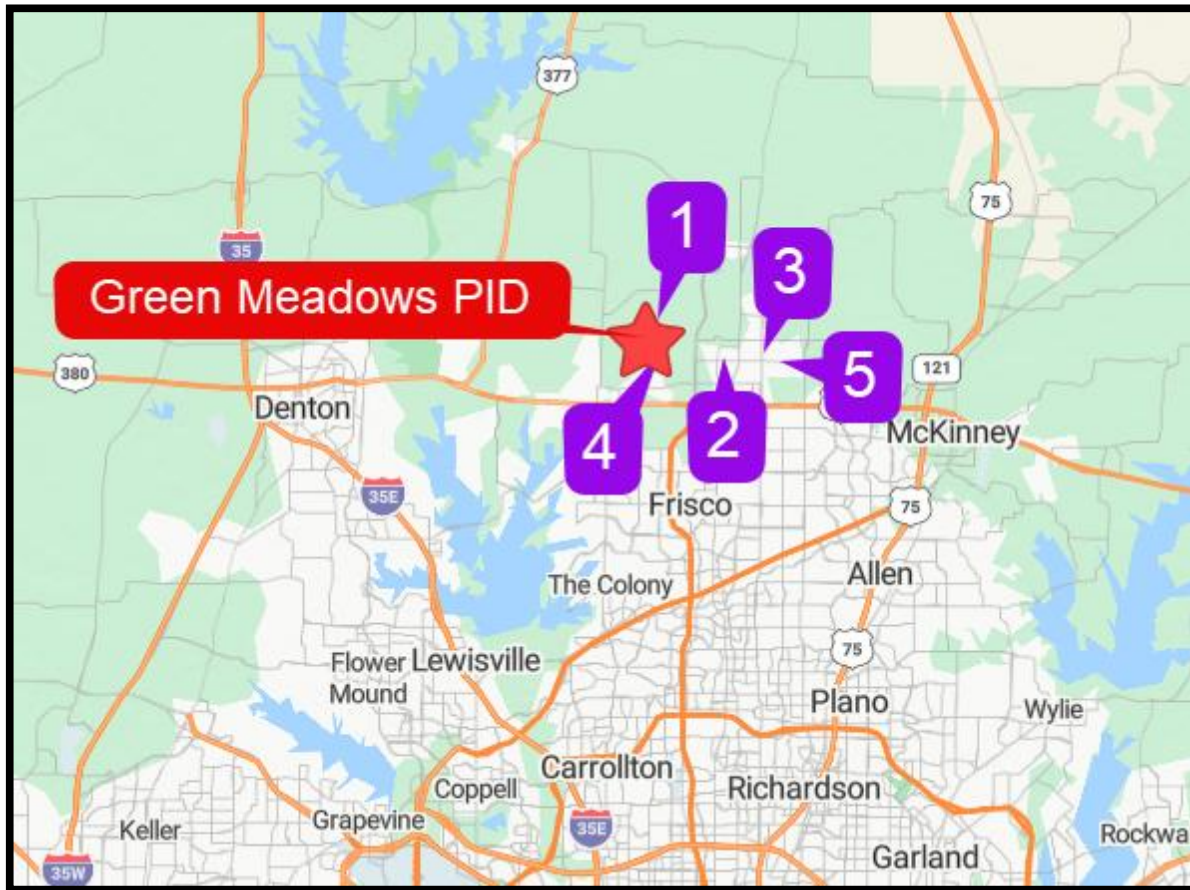
*Sales Price Per Acre - This number is obtained by dividing the sale price by the overall acreage of the land*

An exhibit of the Remainder Area is shown on the following page followed by a map of the subject property with similar, nearby, recent comparable sales is shown below, in addition to a summary of the land sales. Following the map and table, there is an adjustment grid as well as an analysis explaining how we adjusted the comparable sales to arrive at a value indication for the subject site's land. Comparable sale data sheets follow the comparable sale map.

**GREEN MEADOWS MAP OF REMAINDER AREA,  
BY OLD PROSPER PARTNERS, (PROFESSIONAL ENGINEERS)**



**COMPARABLE LAND SALES MAP  
RESIDENTIAL PAPER LOT LAND (REMAINDER AREA)**



**Subject: Green Meadows PID Remainder Area, Celina Area of Denton County, TX 75009**

The land sales incorporated in this analysis occurred since 9/15/2021. A sufficient number of recent sales of comparable tracts were available within the subject’s market area. Data on each of the sales, including sales price, was confirmed with sources considered to be reliable. Our five comparable sales are shown below:

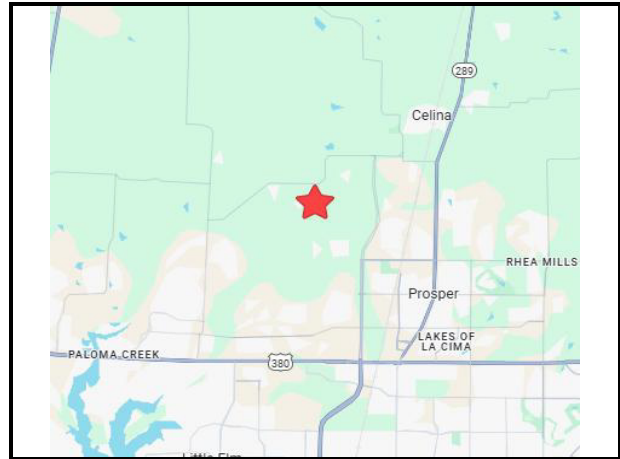
<b>SUMMARY OF VACANT LAND SALES - GREEN MEADOWS PID RA</b>							
<b>Sale</b>	<b>Location</b>	<b>City</b>	<b>Sale Date</b>	<b>Zoning</b>	<b>Sale Price</b>	<b>Size (AC)</b>	<b>\$/AC</b>
1	147.404-AC South of FM 428	Celina	5/28/2024	DA	\$50,000,000	147.40	\$339,204
2	263-AC Choate Parkway	Celina	11/1/2021	None	\$24,000,000	263.00	\$91,255
3	111.844-AC on Coit	Celina	9/15/2021	None	\$16,500,000	111.84	\$147,527
4	312.9-AC South of FM 428	Celina	1/31/2024	DA	\$114,880,000	312.90	\$367,146
5	99.835-AC on County Road 87	Celina	9/15/2021	R-2	\$16,000,000	99.84	\$160,264
<b>Subject</b>	<b>Green Meadows PID RA</b>	<b>Celina</b>	<b>N/A</b>	<b>DA</b>	<b>N/A</b>	<b>643.029</b>	<b>N/A</b>



**LAND SALE COMPARABLE 1**



Comparable 1 Aerial



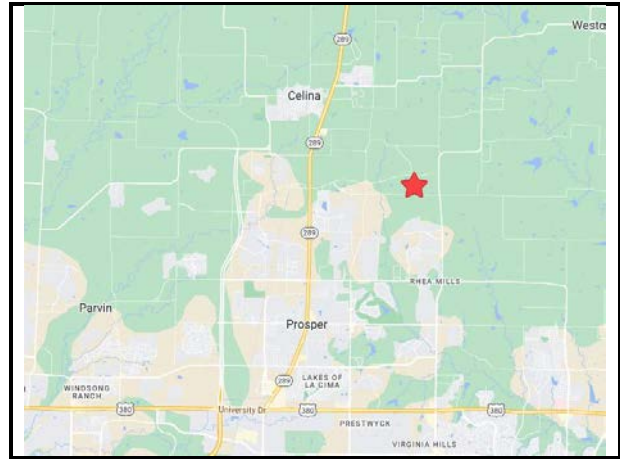
Comparable 1 Map

Land Sale Comparable 1				
<b>Property Information</b>				
Property Name	147.404-AC South of FM 428			
Property Class	Land			
County	Denton			
Property Type	Undeveloped Acreage			
<b>Site Information</b>				
Site Size	6,420,918	SF	147.40	Acres
Zoning Code	DA - Development Agreement			
Shape	Irregular			
Topography	Gently Sloping; Flood Zone X			
Available Utilities	All Available			
<b>Transaction Information</b>				
Sale Status	Pending Transaction			
Sale Date	5/28/2024			
Seller	Celina 6, LP			
Buyer	Brightland Homes, Ltd.			
Sale Price	\$50,000,000			
Price per SF Land	\$7.79			
<b>Price per Acre</b>	<b>\$339,204</b>			
Comment	Utility Easement			

**LAND SALE COMPARABLE 2**



Comparable 2 Aerial



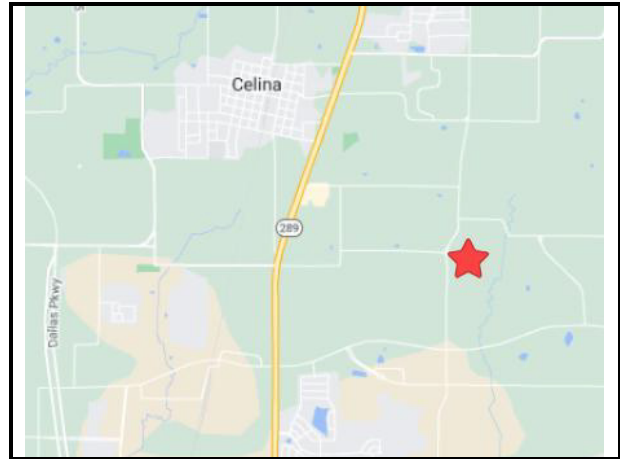
Comparable 2 Map

Land Sale Comparable 2				
<b>Property Information</b>				
Property Name	263-AC Choate Parkway			
Property Class	Land			
County	Collin			
Property Type	Undeveloped Acreage			
<b>Site Information</b>				
Site Size	11,456,280	SF	263.00	Acres
Zoning Code	None			
Shape	Irregular			
Topography	Gently Sloping; Flood Zone X			
Available Utilities	All Available			
<b>Transaction Information</b>				
Sale Status	Closed			
Sale Date	11/1/2021			
Seller	Belknap Fp Ltd			
Buyer	C & C Land LLC			
Sale Price	\$24,000,000			
Price per SF Land	\$2.09			
<b>Price per Acre</b>	<b>\$91,255</b>			
Comment	No Easements			

**LAND SALE COMPARABLE 3**



Comparable 3 Aerial



Comparable 3 Map

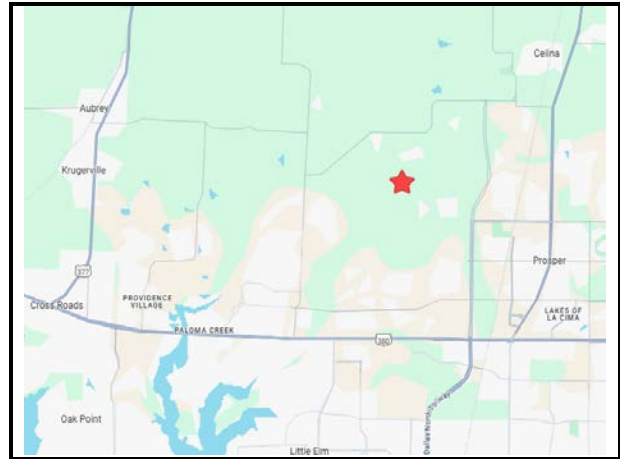
Land Sale Comparable 3				
<b>Property Information</b>				
Property Name	111.844-AC on Coit			
Property Class	Land			
County	Collin			
Property Type	Undeveloped Acreage			
<b>Site Information</b>				
Site Size	4,871,925	SF	111.844	Acres
Zoning Code	None	Pre-Development District		
Shape	Irregular			
Topography	Gently Sloping; Flood Zone X			
Available Utilities	All Available			
<b>Transaction Information</b>				
Sale Status	Closed			
Sale Date	9/15/2021			
Seller	CCD-Coit Land, LLC			
Buyer	VPTM Cross Creek LB, LLC			
Sale Price	\$16,500,000			
Price per SF Land	\$3.39			
<b>Price per Acre</b>	<b>\$147,527</b>			
Comment	No Easements			



**LAND SALE COMPARABLE 4**



Comparable 4 Aerial



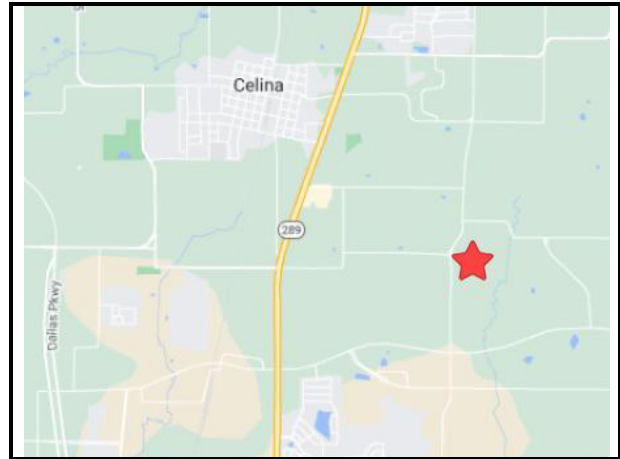
Comparable 4 Map

Land Sale Comparable 4				
<b>Property Information</b>				
Property Name	312.9-AC South of FM 428			
Property Class	Land			
County	Denton			
Property Type	Undeveloped Acreage			
<b>Site Information</b>				
Site Size	13,629,924	SF	312.900	Acres
Zoning Code	DA	Development Agreement		
Shape	Irregular			
Topography	Gently Sloping; Flood Zone X and A			
Available Utilities	All Available			
<b>Transaction Information</b>				
Sale Status	Pending Transaction			
Sale Date	1/31/2024			
Seller	GM-Celina, LP			
Buyer	PH Land Holdings, LLC			
Sale Price	\$114,880,000			
Price per SF Land	\$8.43			
<b>Price per Acre</b>	<b>\$367,146</b>			
Comment	Utility Easement			

**LAND SALE COMPARABLE 5**



Comparable 5 Aerial



Comparable 5 Map

Land Sale Comparable 5				
<b>Property Information</b>				
Property Name	99.835-AC on County Road 87			
Property Class	Land			
County	Collin			
Property Type	Undeveloped Acreage			
<b>Site Information</b>				
Site Size	4,348,813	SF	99.835	Acres
Zoning Code	R-2 Residential Estate - 2			
Shape	Irregular			
Topography	Gently Sloping; Flood Zone X			
Available Utilities	All Available			
<b>Transaction Information</b>				
Sale Status	Closed			
Sale Date	9/15/2021			
Seller	C&C Land, LLC			
Buyer	VPTM Cross Creek LB, LLC			
Sale Price	\$16,000,000			
Price per SF Land	\$3.68			
<b>Price per Acre</b>	<b>\$160,264</b>			
Comment	No Easements			

Green Meadows Public Improvement District

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	<b><u>Green Meadows PID</u></b> <b><u>RA</u></b>	147.404-AC South of FM 428	263-AC Choate Parkway	111.844-AC on Coit	312.9-AC South of FM 428	99.835-AC on County Road 87
	<b><u>Celina</u></b>	Celina	Celina	Celina	Celina	Celina
<i>Transactional Adjustments</i>						
Sales Price/AC		\$339,204	\$91,255	\$147,527	\$367,146	\$160,264
Property Rights		0%	0%	0%	0%	0%
Sales Price/AC		\$339,204	\$91,255	\$147,527	\$367,146	\$160,264
Financing Terms		0%	0%	0%	0%	0%
Sales Price/AC		\$339,204	\$91,255	\$147,527	\$367,146	\$160,264
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/AC		\$339,204	\$91,255	\$147,527	\$367,146	\$160,264
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/AC		\$339,204	\$91,255	\$147,527	\$367,146	\$160,264
Market Conditions		+3%	+11%	+11%	+4%	+11%
<b>ADJUSTED Price/AC:</b>		<b>\$349,380</b>	<b>\$101,293</b>	<b>\$163,755</b>	<b>\$381,832</b>	<b>\$177,894</b>
<i>Physical Adjustments</i>						
Location	Celina, Denton County, North of Parvin Road	0%	0%	0%	0%	0%
Size	643.029-AC	-13%	-8%	-15%	-6%	-16%
Topography/Floodplain	Gently Sloping; Flood Zone X & A	-5%	-5%	-5%	0%	-5%
Utilities	All in Vicinity	0%	0%	0%	0%	0%
Easements/Encumbrances	Utility Easements	0%	-4%	-4%	0%	-4%
Land Use/Zoning	Development Agreement	0%	+20%	+20%	0%	+5%
<i>Total Net Physical Adj. After Financial Adj.</i>		-18%	+3%	-4%	-6%	-20%
<b>ADJUSTED Price/AC:</b>		<b>\$286,492</b>	<b>\$104,332</b>	<b>\$157,205</b>	<b>\$358,922</b>	<b>\$142,315</b>
<b>SUMMARY OF COMPARABLE VALUES</b>						
Value Range/AC		<b>\$104,332</b>	to	<b>\$358,922</b>		
Mean				<b>\$209,853/AC</b>		
Median				<b>\$157,205/AC</b>		
Unit Value Indication				<b>\$205,000/AC</b>		
Total Value Indication				<b>\$131,820,945</b>		
<b>Conclusion (Rounded)</b>		<b>\$131,820,000 (\$205,000/AC, \$4.71/SF)</b>				

**ANALYSIS OF THE SALES –  
RESIDENTIAL PAPER LOTS IN REMAINDER AREA**

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last three years involving similar land sales within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property's land that are utilized had unadjusted sales prices ranging from \$91,255 to \$367,146 per acre, and sizes ranging from approximately 99.84-AC to 312.90-AC.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

**Factors to be Considered and Summary of Adjustments**

***Financial Adjustments***

**Property Rights Conveyed**

This adjustment considers the difference in sales price of properties sold in fee simple estate or in leased fee estate and the effect of any existing leases on the sales price of the property. All the sales involved fee simple interests being transferred. Thus, no adjustments were applicable for this factor.

**Financing Terms**

All sales were cash or equivalent, thus an adjustment for this item was not necessary.

**Conditions of Sale**

This adjustment reflects the motivations of the buyer and seller, i.e., assemblage, distress sale, reduced prices from family purchase, or purchase by adjacent landowners. All transactions were at arm's length and occurred in an open market, with no undue influences noted; therefore, no adjustments were needed.

**Changing Market Conditions**

This adjustment accounts for changing market conditions over a period. These adjustments are necessary to correct for changes in value over time due to market factors such as supply and demand, and economic factors such as inflation. We have applied an adjustment of +3% year-over-year (YoY), which is a 0.25% month-over-month (MoM) positive adjustment for Market Conditions to Sales 1-5, which resulted in adjustments ranging from +3% to +11%.

***Physical Adjustments***

**Location**

The subject property is located in the Celina area of Denton County near the modestly expanding quasi-suburban sprawl of residential neighborhoods north of Dallas. Development in the subject's area has been substantial and consistent throughout the decades. The subject is located approximately 3.5 miles west of South Dallas Parkway which runs north/south, and several community commercial uses are located on this arterial traffic carrier. The area around the subject is primarily residential development and undeveloped rural land. The subject property is within the Celina ISD and Prosper ISD which are desirable districts with an "A" rating from the Texas Education Agency (TEA). Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. The subject is located on the south side of West Farm to Market 428, east side of Farm to Market 1385, west side of South Legacy

## *Green Meadows Public Improvement District*

Drive, and north side of Parvin Road. Accessibility is considered above average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Similar; located near Celina with similar access to commercial developments; Adjusted 0%
- Sale 2: Similar; located near Celina with similar access to commercial developments; Adjusted 0%
- Sale 3: Similar; located near Celina with similar access to commercial developments; Adjusted 0%
- Sale 4: Similar; located near Celina with similar access to commercial developments; Adjusted 0%
- Sale 5: Similar; located near Celina with similar access to commercial developments; Adjusted 0%

### **Size**

Typically, the larger the tract the lower the unit price. The converse also tends to be true. Land sales analyzed on an area-wide basis tend to indicate a  $\pm 2\%$  to  $\pm 10\%$  price premium for each halving/doubling of size, for tracts within the size range of those compared herein. A +6% doubling factor would appear reasonable for the size range of the sales utilized in this analysis. We have made the following adjustments for Size:

- Sale 1: Smaller; 147.40 acres; Adjusted -13%
- Sale 2: Smaller; 263.00 acres; Adjusted -8%
- Sale 3: Smaller; 111.84 acres; Adjusted -15%
- Sale 4: Smaller; 312.90 acres; Adjusted -6%
- Sale 5: Smaller; 99.84 acres; Adjusted -16%

### **Topography/Floodplain**

Topography conditions included are land contours, grades, drainage adequacies, and general physical usability. Land that is heavily wooded would likely be more costly to develop than a site that was cleared and ready for development. Green Meadows PID has gently sloping topography and is within Unshaded Zone X (outside the floodplain) and Zone A (within the 100-year floodplain) according to Map 48121C0290G, effective April 18, 2011. The subject property has ample space in Unshaded Zone X that would not be detrimental to the development of the subject property. We have made the following adjustments for Topography/Floodplain:

- Sale 1: Superior; has gently sloping topography and entirely within Unshaded Zone X; Adjusted -5%
- Sale 2: Superior; has gently sloping topography and entirely within Unshaded Zone X; Adjusted -5%
- Sale 3: Superior; has gently sloping topography and entirely within Unshaded Zone X; Adjusted -5%
- Sale 4: Similar; has gently sloping topography and within Unshaded Zone X and A; Adjusted 0%
- Sale 5: Superior; has gently sloping topography and entirely within Unshaded Zone X; Adjusted -5%

### **Utilities**

The availability of utilities is a major factor in the development of any property. If a site has no utility service or cannot acquire access, it is virtually impossible to develop. All utilities are available for the subject. We have made the following adjustments for Utilities:

- Sale 1: Similar; has access to electricity and city services are within the vicinity; Adjusted 0%
- Sale 2: Similar; has access to electricity and city services are within the vicinity; Adjusted 0%
- Sale 3: Similar; has access to electricity and city services are within the vicinity; Adjusted 0%
- Sale 4: Similar; has access to electricity and city services are within the vicinity; Adjusted 0%
- Sale 5: Similar; has access to electricity and city services are within the vicinity; Adjusted 0%

### **Easements/Encumbrances**

Properties with easements and encumbrances, such as overhead powerlines or gas pipelines, restrict parcels from development. The subject has overhead powerline easements. We have made the following adjustments for Easements/Encumbrances:

- Sale 1: Similar; has similar easements or encroachments; Adjusted 0%

*Green Meadows Public Improvement District*

- Sale 2: Superior; no easements or encroachments; Adjusted -4%
- Sale 3: Superior; no easements or encroachments; Adjusted -4%
- Sale 4: Similar; has similar easements or encroachments; Adjusted 0%
- Sale 5: Superior; no easements or encroachments; Adjusted -4%

**Land Use/Zoning**

According to our diligence, the subject property was zoned Ag (Agriculture) at the time of transfer and is now covered by a Development Agreement with the City of Celina. Sales 2 and 3 are vacant land sales without zoning restrictions, and do not have entitlement rights. Therefore, Sales 2 and 3 were considered inferior and received an adjustment of +20% for the lack of entitlement rights. Sale 5 had inferior residential zoning, and a 5% adjustment was made. Sales 1 and 4 have a development agreement and zoned and platted for D1 (Development); and had entitlement rights at the time of the sale. Therefore, Sales 1 and 4 were considered similar and not adjusted.

**LAND VALUE CONCLUSION FOR 643.029-AC IN THE REMAINDER AREA**

After adjustment, the land sales indicate a range of values for the subject site from \$104,332 to \$358,922 per acre, with an average of \$209,853/AC and a median of \$157,205/AC. Similar emphasis was given to all sales. Thus, the value of the subject is correlated in the middle portion of the ranges. **The subject site is valued at \$205,000/AC, totaling \$131,820,945, (rounded to \$131,820,000; \$205,000/AC; \$4.71/SF)** for the land as shown in the following chart:

<b>LAND VALUE SUMMARY GREEN MEADOWS PID RA, DENTON COUNTY, TX</b>		
<b>Land Area (Acres)</b>	<b>Land Value/Acre</b>	<b>Land Value</b>
643.029	\$205,000	\$131,820,945
	<b>Rounded:</b>	<b>\$131,820,000 (\$205,000/AC, \$4.71/SF)</b>

*Next, we will continue the Cost Approach to analyze the Development Costs associated with the 1,826 Residential Paper Lots within the Remainder Area.*

**COST APPROACH – RESIDENTIAL PAPER LOTS IN REMAINDER AREA (CONTINUED)**

**Replacement cost** is the current cost of replacing the improvement with one having equal utility or able to perform the same economic function:

1. It could be the cost of acquiring an equally desirable substitute, or
2. The cost to replace, with a property having an equivalent utility, which may or may not be a replica, or
3. The replacing or remodeling of parts of a structure to maintain it in its highest and best use and operating condition.

This term generally is used to indicate: The present cost of replacing the improvements with improvements of equivalent utility, considering modern materials and construction methods.

***NOTE: The appraisers have been provided with detailed construction development costs provided by Wier & Associates (Professional Engineer) and Willdan Financial Services, who have worked with the developer on development costs necessary for the Water System, Wastewater System, Storm Drain System, Earthwork, Erosion Control, and Roadway & Street Paving. We have confirmed the utilized cost through discussions with the client and concluded they are reasonable and credible for developing Green Meadows PID Remainder Area based on our experience reviewing costs from other PIDs. Further, we have utilized an extraordinary assumption that the development costs are accurate as of the Effective Date of the report. Use of this extraordinary assumption has affected assignment results.***

As indicated earlier, the proposed improvements represent the current Highest and Best Use of the site "as proposed." As such, the following is a discussion of cost and depreciation components used in arriving at a value for the subject via the Cost Approach.

Green Meadows Public Improvement District

**Development Cost Estimate**

Base costs for the major building improvements are estimated from the owner's cost estimate and compared to the Marshal Valuation Service (MVS) Cost Guide.

The following is a summary of the development cost by Wier and Associates (Professional Engineering):

Green Meadows Infrastructure Cost Summary								Totals
	Part 1 Project 1, 2, 3 & 5 Grading	Part 2 Project 1 Doe Barnch Tributary	Part 3 Project 2 N Major Improvements	Part 4 Project 3 S Major Improvements	Part 5 Project 4 NcNabb/Carey/Crutfield/Water	Part 6 Project 5 Model Home Park Improvements		
<b>PUBLIC COSTS</b>								
Earthwork	\$ 4,716,473.50		\$ 959,102.00	\$ 1,277,784.00		\$ 287,072.00		\$ 4,716,473.50
Drainage		\$ 7,465,192.75						\$ 9,989,150.75
Water		\$ 10,948.50	\$ 1,416,089.00	\$ 1,104,534.50	\$ 1,756,592.50		\$ 253,919.50	\$ 4,542,084.00
Sanitary Sewer			\$ 1,179,930.00				\$ 304,125.00	\$ 1,484,055.00
Paving			\$ 4,243,964.53	\$ 2,063,212.01			\$ 674,557.60	\$ 6,981,734.14
Pavement Markings & Signs			\$ 395,055.00	\$ 52,166.00			\$ 22,200.00	\$ 469,421.00
Erosion Control	\$ 152,495.40	\$ 51,854.10	\$ 55,676.70	\$ 56,211.60		\$ 68,435.34		\$ 39,324.00
<b>Public Infrastructure Bid Totals</b>	\$ 4,868,968.90	\$ 7,527,995.35	\$ 8,249,817.23	\$ 4,553,908.11	\$ 1,825,027.84	\$ 1,581,198.10		\$ 28,606,915.53
<b>NON PID REIMBURSEMENT &amp; (MH Lots)</b>								
Earthwork	\$ 790,750.00							\$ 790,750.00
Drainage		\$ 3,078,067.25						\$ 3,078,067.25
Water						\$ 29,100.00		\$ 29,100.00
Sanitary Sewer						\$ 51,000.00		\$ 51,000.00
Paving								\$ -
Pavement Markings & Signs								\$ -
Erosion Control	\$ 119,762.00							\$ 119,762.00
<b>Non-PID Reimbursement Totals</b>	\$ 910,512.00	\$ 3,078,067.25	\$ -	\$ -	\$ -	\$ 80,100.00		\$ 4,068,679.25
<b>Landscape and Irrigation Package</b>								\$ 7,500,000.00
<b>Construction Contingency</b>	\$ 486,896.89	\$ 752,799.54	\$ 824,981.72	\$ 455,390.81	\$ 182,502.78	\$ 158,119.81		\$ 2,860,691.55
<b>Soft Costs (Testing/Meters/Permit Fees, etc.)</b>								\$ 1,607,023.79
BGE Inspection/Mgt Fees								\$ 151,784.00
Celina Permit/Inspection Fees								\$ 175,826.00
Mustang Utility								\$ 277,953.00
Alpha/UES								\$ 56,829.40
CoServ Electric								\$ -
<b>Construction Management Fee</b>								\$ 1,607,023.79
<b>ROW</b>								\$ 11,150,000.00
<b>District Formation</b>								\$ 5,200,000.00
<b>Green Meadows Total</b>								\$ 63,262,526.32

**Entrepreneurial Incentive**

According to The Dictionary of Real Estate Appraisal, Fifth Edition, entrepreneurial incentive is defined as “the amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement.” Typically, the range of 10-20% of cost is used for this category with higher percentages are typical when a development involves more risk. In general, subdivision developers are categorized as higher risk than other real estate endeavors due to the high degree coordination that takes place over several years. Within the span of those years numerous market changes are likely to occur. We are using **20%** for the purpose of this analysis as residential development tends to be riskier and thus a higher profit is expected from participants totaling \$12,652,505 .

**Depreciation** is defined as loss in capital value from any cause. It is employed in this report in estimating the difference in the present-day value of the improvements and the cost of new replacement. The three major types of accrued depreciation are:

**Physical Deterioration**

Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and



tear that should be corrected immediately or, is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

***Note: As the subject property is a newly proposed development, there is no physical deterioration to consider.***

### **Functional Obsolescence**

Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

***Note: The proposed development is considered to be of desirable size and functional design for demand from typical users in this market. There is no indication of functional obsolescence for this property.***

### **External Obsolescence**

According to the Dictionary of Real Estate Appraisal, Fifth Edition, external obsolescence is “*an element of depreciation; a diminution of value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant.*”

External obsolescence is considered to be the loss in value of a property resulting from the influence of negative forces not inherent with the property. It can be caused by the exertion of detrimental external forces upon the neighborhood or property itself. Other examples are noise from nearby expressways or airports, excessive taxes, special assessments or certain other governmental actions, or the infiltration of inharmonious groups or land uses.

This form of obsolescence is rarely, if ever, curable. The measure of this form of obsolescence is the capitalized value of the rental loss due to the condition. Care must be exercised to charge against the improvements only the pro-rata amount of the indicated loss represented by the improvements to total property value ratio. In other words, if the land value already reflects the condition, the rent loss attributable only to the improvements should be capitalized.

***Note: As the proposed subdivision is in an area in the growth cycle with demand for residential development spurred by high demand, there is no depreciation for external obsolescence.***

### **Cost Approach Assumptions**

The following assumptions will affect our Cost Approach value conclusions:

1. Developer construction cost estimates provided by Wier & Associates (Professional Engineering), and Willdan Financial Services, are accurate and reflect all associated costs (as of the Effective Date) to construct the development – *Utilizing Extraordinary Assumption*
2. Entrepreneurial incentive is considered to be **20%**, which is the market rate profit a developer would expect to undertake the risk associated with a subdivision development such as the subject property. Typically, developer budget 30-40% for profit; however, after unexpected contingencies profits are often 15-25%.
3. The value of the underlying land as of the report date is **\$131,820,000**. We are not factoring in any increases prior to the Effective Date of February 1, 2026, for the Remainder Area.

*Green Meadows Public Improvement District*

Based on the forgoing analysis, the chart below recaps and illustrates the calculations used in forming an opinion of value via the Cost Approach. **Thus, the value conclusion utilizing the Cost Approach for Green Meadows PID RA is \$207,735,031 (\$207,735,000; or \$114,000/Lot Rounded).**

Detailed costs for each area were provided by Wier & Associates (Professional Engineering) for Green Meadows PID. The portion concerning the Remainder Area totals **\$207,735,000** as shown on the chart below:

<b>Cost Approach - Green Meadows PID RA (1,826 Improved Paper Lots)</b>	
<b><i>Total Build Cost</i></b>	
<b>Development Costs</b>	\$ 63,262,526
<b><i>Plus: Entrepreneurial Incentive (20%)</i></b>	\$ 12,652,505
<b>Less Depreciation</b>	
Physical Curable/Incurable	\$ -
Functional Obsolescence	\$ -
External Obsolescence	\$ -
<b>Total Accrued Depreciation</b>	\$ -
<b><i>Plus: Land (643.029 Acres)</i></b>	\$ 131,820,000
<b>Indicated Total Value</b>	<b>\$ 207,735,031</b>
<b><i>Total Value Rounded</i></b>	<b>\$ 207,735,000</b>

## **RECONCILIATION AND FINAL VALUE CONCLUSION**

The Appraisal of Real Estate, Fourteenth Edition, copyright 2013, pages 641-642, published by the Appraisal Institute states,

*“Resolving the differences among various value indications is called reconciliation.... The final value opinion is not the average of the different value indications derived. No mechanical formula is used to select one indication over the others...Final reconciliation relies on proper application of appraisal techniques and the appraiser’s judgment.”*

Three approaches to value are recognized in the appraisal profession (Sales Comparison Approach, Cost Approach, and Income Approach). All three approaches were analyzed and developed as part of the scope of work of this assignment. A summary of each approach follows:

### **Cost Approach**

The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project.

Since the improved single-family residential lots in IA #1 of the Green Meadows PID will be constructed in multiple phases over several years, the Cost Approach is not appropriate and thus was not utilized to value the improved lots in IA #1. This approach is most beneficial when appraising a proposed or recently built project and is typically used when developed units make up a substantial portion of the entire project.

We utilized the Cost Approach to value the 1,826 residential paper lots on ~643.029 acres in the Remainder Area. The Cost Approach utilizes aspects of the Sales Comparison Approach to determine the underlying value of the land. Cost figures provided by Wier & Associates, Professional Engineers, and Willdan Financial Services were included, and we considered entrepreneurial incentive before adding in the value of the underlying land to determine the value of the property when major public infrastructure is included.

The first step in the Cost Approach is determining the land value for the subject property. In order to do the Cost Approach, the land value is determined using the Sales Comparison Approach of similar vacant land in the subject’s market area. The Sales Comparison Approach for the subject’s land was concluded at **\$131,820,945**. **The development costs were calculated at \$63,262,526 plus an Entrepreneurial Incentive of \$12,652,505**. **Thus, the value conclusion utilizing the Cost Approach for the Remainder Area of the Green Meadows PID is rounded to \$207,735,000 (\$114,000/Lot).**

### **Income (Subdivision Development) Approach**

For the improved residential lots, the Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases the bulk of the lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

*Green Meadows Public Improvement District*

Since our assignment is to determine the bulk sale value of 748 improved residential lots in IA #1 of the Green Meadows PID, as of the substantial completion date, the Income Approach is appropriate and was developed.

Through Discounted Cash Flow Analysis, we determined the market value of the 748 improved lots “Upon Completion” in the four distinct areas of IA #1 in Green Meadows PID as of February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1, is as follows in the chart below.

<b>INCOME APPROACH VALUE INDICATION</b>	
<i>Fee Simple Interest, Complete Feb. 1, 2026</i>	<b>\$30,660,000</b>
<i>IA G1A</i>	<b>(\$148,900/Lot)</b>
<i>206 Improved Lots</i>	<b>Rounded</b>
<i>Fee Simple Interest, Complete Feb. 1, 2026</i>	<b>\$25,690,000</b>
<i>IA G1B</i>	<b>(\$143,600/Lot)</b>
<i>179 Improved Lots</i>	<b>Rounded</b>
<i>Fee Simple Interest, Complete July 1, 2026</i>	<b>\$37,860,000</b>
<i>IA P1</i>	<b>(\$143,400/Lot)</b>
<i>264 Improved Lots</i>	<b>Rounded</b>
<i>Fee Simple Interest, Complete July 1, 2026</i>	<b>\$15,110,000</b>
<i>IA K1</i>	<b>(\$152,600/Lot)</b>
<i>99 Improved Lots</i>	<b>Rounded</b>

The Income (Subdivision Development) Approach was not utilized for the paper lots in the RA as this portion of the development is not yet developed and the land is not utilized to generate income.

**Sales Comparison Approach**

For the improved lots within IA #1, and the paper lots within the RA, the Sales Comparison Approach was not fully developed because finding highly similar and recent sales of improved groups of lots or subdivisions is not available in the market. Aspects of the Sales Comparison Approach were utilized in concluding the retail lot market values for use in the Income Approach for the improved lots within the Green Meadows PID.

**Final Value Conclusion Summary**

As a result of our investigations, studies and analysis of the sale, cost, income, and expense data, interpreted within the context of all the factors in the marketplace which effect value, our reconciliation of the indicated values between the utilized approaches to value are listed in the table below. Each property type warranted only a single approach to be developed so our final values for each property type: improved residential lots, and paper lots for residential land. Our final value conclusion for each of the property types is shown below:

<b>FINAL MARKET VALUE CONCLUSION GREEN MEADOWS PID</b>			
<i>Income Approach Conclusion</i>	<i>Cost</i>	<i>Sales</i>	<i>Income (Subdivision)</i>
<i>Fee Simple Interest, Complete Feb. 1, 2026</i>			
<i>IA GIA</i>	<i>N/A</i>	<i>N/A</i>	<i>\$30,660,000</i>
<i>206 Improved Lots</i>			<i>(\$148,900/Lot)</i>
			<i>Rounded</i>
<i>Fee Simple Interest, Complete Feb 1, 2026</i>			
<i>IA GIB</i>	<i>N/A</i>	<i>N/A</i>	<i>\$25,690,000</i>
<i>179 Improved Lots</i>			<i>(\$143,600/Lot)</i>
			<i>Rounded</i>
<i>Fee Simple Interest, Complete July 1, 2026</i>			
<i>IA P1</i>	<i>N/A</i>	<i>N/A</i>	<i>\$37,860,000</i>
<i>264 Improved Lots</i>			<i>(\$143,400/Lot)</i>
			<i>Rounded</i>
<i>Fee Simple Interest, Complete July 1, 2026</i>			
<i>IA K1</i>	<i>N/A</i>	<i>N/A</i>	<i>\$15,110,000</i>
<i>99 Improved Lots</i>			<i>(\$152,600/Lot)</i>
			<i>Rounded</i>
<i>Fee Simple Interest, Complete Dec. 1, 2025</i>			
<i>Remainder Area</i>	<i>\$207,735,000</i>	<i>N/A</i>	<i>N/A</i>
<i>1,826 Residential Paper Lots on 643.029 Acres</i>	<i>(\$114,000/Lot)</i>		
	<i>Rounded</i>		

**Exposure Time**

Assuming adequate exposure and normal marketing efforts, the estimated exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded to in this analysis as of the date of this valuation) would have been at least 6-12 months; the estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be between 6-12 months.

**Marketing Time**

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the Effective Date of value. Market conditions are presently strong, and we expect no significant changes in the near term. It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject’s marketing period at 6-12 months.

**ADDENDA**

ENGAGEMENT LETTER



Real Estate Brokerage \* Development \* Appraisals \* Property Tax Consulting  
1703 N. Peyco Dr. Arlington, Texas 76001  
Metro 817-467-6803 \* Fax 817-465-7464 \* www.peycosouthwest.com

July 12, 2024

Mr. R.R. "Tripp" Davenport, III  
Director  
FMSbonds, Inc.  
5 Cowboys Way, Ste. 300-25  
Frisco, Texas 75034  
tdavenport@fmsbonds.com

**SUBJECT:** Proposal/Authorization for Valuation and Consulting Services of a residential master planned development known as the "Green Meadows Public Improvement District" located in the City of Celina, Denton County, Texas

Dear Mr. Davenport:

Upon your acceptance of this contract engagement, Peyco Southwest Realty, Inc. ("Peyco"), will prepare an appraisal of the Subject Property:

**Purpose of the Assignment** The purpose of the appraisal is to provide an opinion of the "As-Complete" and "As-If Improved" market value of the fee simple interest in the Subject Property outlined herein. We will assume that the City of Celina will approve or has approved the proposed development and that all development entitlements are in place for the "Project" to proceed. Further, our valuation will also be based upon, and assume that:

- a) Only limited specific offsite general infrastructure indicated is fully funded with cash or cash-equivalent (lines of credit, completion agreements, etc.) with special assessments levied on property within the Green Meadows Public Improvement District ("PID"), and
- b) Improvement relating to the "Project" will be completed based on engineering plans provided to the appraisers

It is our understanding that the Appraisal Report will be included in the Preliminary and Final Official Statements for the sale of one or more series of Public Improvement District (PID) bonds for the Project, and we will provide our written consent to the inclusion of the Appraisal Report in the Preliminary and Final Official Statements. The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule.



In accordance with our correspondence, the scope of this assignment will require Peyco to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis, and preparation of the report. **The report will include an opinion of the fee simple market value of the following:**

- **Tracts 5 with approximately 266 improved residential lots to be sold in bulk in of the Green Meadows PID. We will report the estimated retail value of the lots during the sellout period consisting of:**
  - 129 lots of 50-FF sizes,
  - 62 lots of 60-FF sizes, and
  - 75 lots of 70-FF sizes
- **Major Improvement Area (MIA) Entitled Paper Lots – estimated at 2,401 lots of various sizes on approximately 849.8-Acres to be sold in bulk in the major improvement area.**

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a federally regulated financial institution.

The appraisal will be communicated in an Appraisal Report-Standard Format Report. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions, a copy of which is attached as Attachment 1.

The total fee for this assignment will be \$17,000 which will be paid for by the Developer, but payment may be reimbursed to the developer as a qualified creation and issuance cost of the "Public Improvement District". Please note that the full fee must be received in our office before the commencement of this appraisal. The delivery date will be within 30 days from your signed acceptance of this letter agreement, receipt of the fee and receipt of requested documents from the developer, but subject to extension based upon late delivery of the requested data and scheduled access for inspection. **We will require the full fee of \$17,000 prior to the commencement of this appraisal assignment.** If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed.

Two hard copies of the appraisal report will be provided upon request. Digital copies, in PDF format, will be delivered upon completion via email or other file transfer as client requests. Additionally, we confirm our permission to use the final appraisal report in the offer and sale of public securities secured by the special assessments levied on property within the PID for the "Project"; and we confirm that we will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose. The 30-day delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment. Should, upon review of the draft Appraisal Report, the client requests material changes, or additions beyond the agreed to Scope of Work that materially affect the appraisal report and/or resulting values; the Client agrees to additional scope of work changes at our current hourly rates (\$300/hour).

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance, or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment, and actions.



In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our current hourly rates (\$300/hour) for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Peyco and its partner companies may utilize, sell, and include such data (either in the aggregate or individually), in the Peyco database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available, as well as proprietary software programs, to perform your assignment (web based and others).

If you are in agreement with the terms set forth in this letter and wish us to proceed with the contract engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,



James L. Maibach, C.P.M.  
TX-1323658  
State Certified General Real Estate Appraiser

AGREED TO AND ACCEPTED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2024.

BY:

FMS Bonds, Inc.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Name (printed)

#### ATTACHMENT 1: STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and restrictions. The Subject Property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the Subject Property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the Subject Property more or less valuable. Furthermore, there is no asbestos or environmental contamination at the Subject Property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The Subject Property is in compliance with all applicable building, environmental, zoning, and other federal, state, and local laws, regulations, and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena, or attend any court, governmental or other hearing with reference to the Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in the appraisal report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the Subject Property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed that the Subject Property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the Subject Property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates, and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

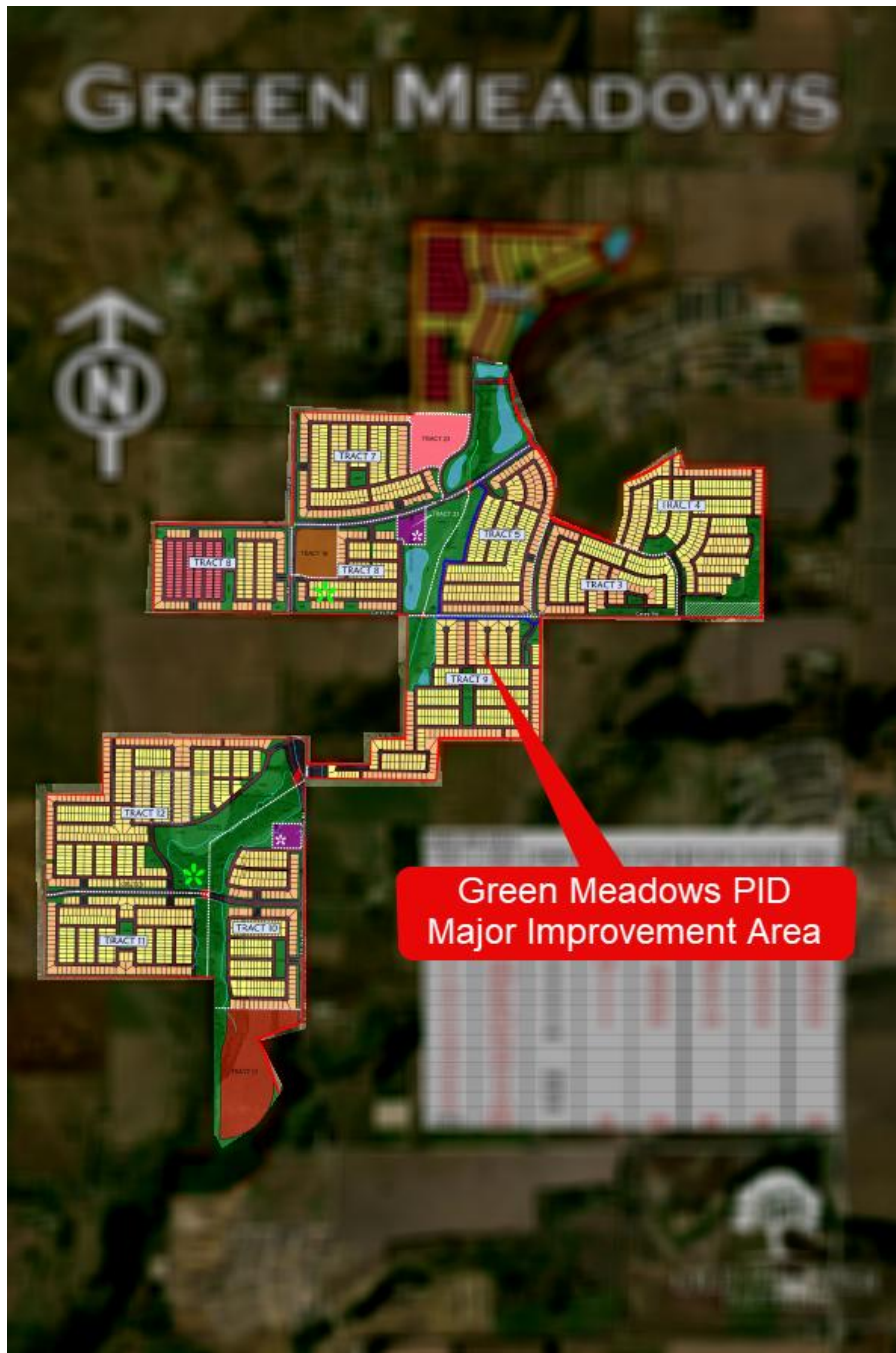
13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding compliance of the Subject Property with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the Subject Property. Peyco and/or any of its officers, owners, managers, directors, agents, subcontractors, or employees (the "Peyco Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are nonexistent or minimal.
22. We are not a building or environmental inspector. Peyco does not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
24. Peyco is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Peyco is not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we



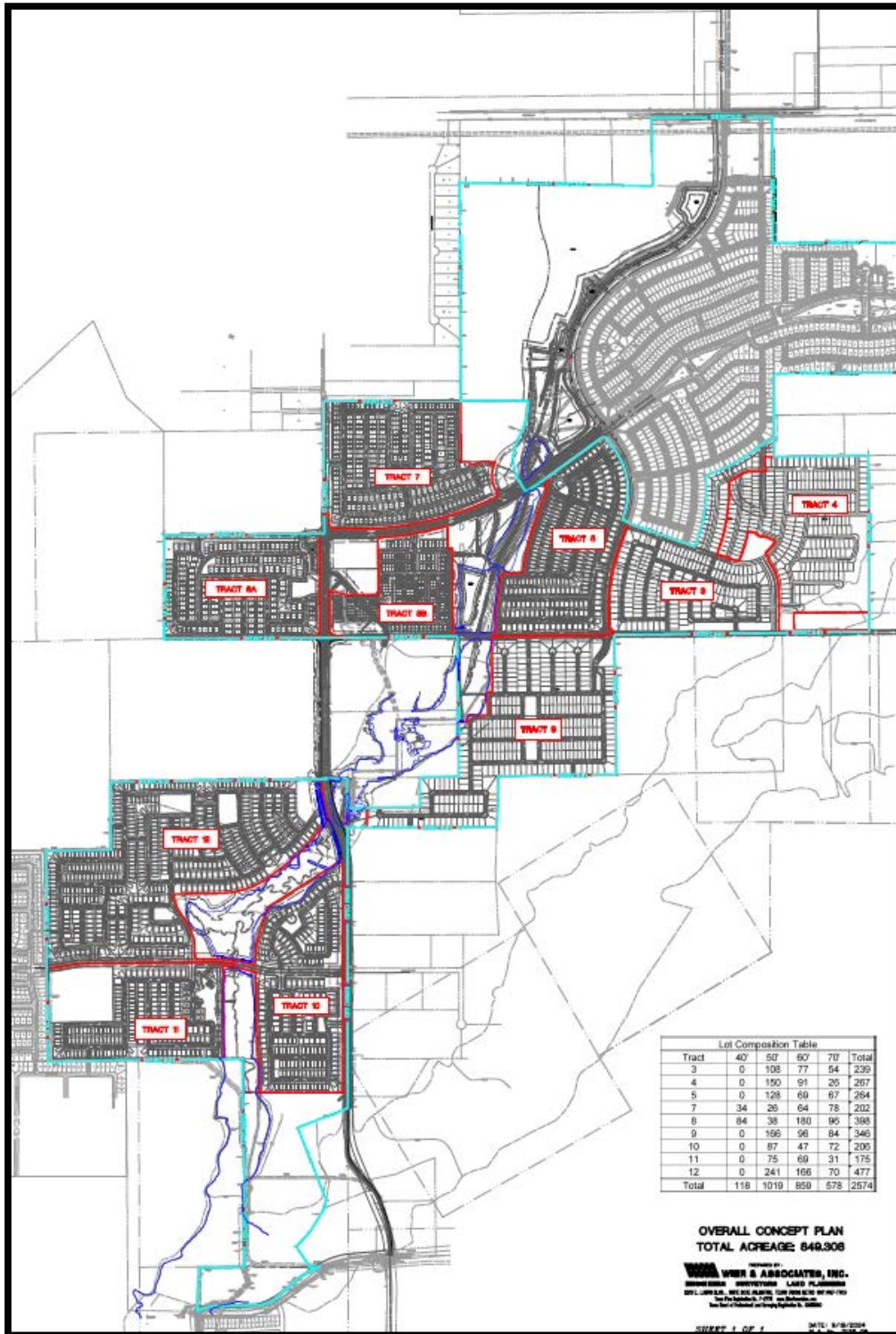
assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.

26. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.
27. As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

CONCEPT PLAN – REMAINDER AREA



Overall-PID-Tract-Exhibit



*Green Meadows Public Improvement District*

Property ID	Legal Description
1025227	A0211A COWAN, TR 39A(2), 3.9866 ACRES
52735	A1112A J.B. RUE, TR 2, 57.66 ACRES, OLD DCAD TR #2
52749	A0791A J. MORTON, TR 13, 6.756 ACRES, OLD DCAD TR #6
52765	A0791A J. MORTON, TR 9, 11.85 ACRES, OLD DCAD TR #3
52787	A1113A B.L. RUE, TR 1 & 2 (OUT CITY), 13.205 ACRES, OLD DCAD TR #2
52791	A0309A T. COX, TR 5, 70.2 ACRES
52795	A0309A T. COX, TR 6, 107.0 ACRES, OLD DCAD TR #5
52807	A0309A T. COX, TR 4, 100.03 ACRES, OLD DCAD TR #6
52890	A0211A COWAN, TR 41, 14.888 ACRES
52893	A0211A COWAN, TR 38, 11.235 ACRES
52894	A0211A COWAN, TR 40, 3.066 ACRES, OLD DCAD SHT 2, TR #11
52913	A0211A COWAN, TR 46, 1.8456 ACRES, OLD DCAD SHT 2, TR #17
52918	A0211A COWAN, TR 47, 4.1894 ACRES, OLD DCAD SHT 2, TR #18
178533	A0791A J. MORTON, TR 8B, 1.0 ACRES
178533	A0791A J. MORTON, TR 8B, 1.0 ACRES
52734	A0791A J. MORTON, TR 8, 19.15 ACRES
52734	A0791A J. MORTON, TR 8, 19.15 ACRES
635969	A0211A COWAN, TR 39B,39C,39D,39E,39F, 3.0493 ACRES
635969	A0211A COWAN, TR 39B,39C,39D,39E,39F, 3.0493 ACRES
287299	A0791A J. MORTON, TR 2 & 3A, 81.874 ACRES
287299	A0791A J. MORTON, TR 2 & 3A, 81.874 ACRES
52953	A0211A COWAN, TR 39, 3.0493 ACRES
52953	A0211A COWAN, TR 39, 3.0493 ACRES
1038230	A0211A COWAN, TR 40B, 49.1367 ACRES
1038231	A0211A COWAN, TR 39A(2)C, 1.9507 ACRES
1038232	A0211A COWAN, TR 39G, 1.9507 ACRES
1038234	A0211A COWAN, TR 39B,39C,39D,39E,39F(1), 1.9507 ACRES
1038309	A0211A COWAN, TR 40C, 27.973 ACRES
1038310	A0211A COWAN, TR 46A, 29.0344 ACRES
1038312	A0211A COWAN, TR 47A, 26.6906 ACRES
1038315	A0211A COWAN, TR 39A(2)D, 59.8973 ACRES
1038317	A0211A COWAN, TR 40D, 2.9567 ACRES
52887	A0211A COWAN, TR 37, 35.439 ACRES, SN#1 PH3510LA0877
52887	A0211A COWAN, TR 37, 35.439 ACRES, SN#1 PH3510LA0877
52585	A1299A T & PRR, TR 5, 62.35 ACRES
52585	A1299A T & PRR, TR 5, 62.35 ACRES
1035908	A0211A COWAN, TR 39A(2)A, 18.789 ACRES
1035909	A0211A COWAN, TR 39A(2)B, 18.076 ACRES
1035907	A0211A COWAN, TR 38A, 29.97 ACRES
1035910	A0211A COWAN, TR 38B, 43.965 ACRES



**LEGAL DESCRIPTION  
GREEN MEADOWS PID**

EXHIBIT A  
Description of the District

TRACT 1:

BEING A TRACT OF LAND LOCATED IN THE ROBERT COWAN SURVEY, ABSTRACT NO. 211, THE ANTHONY THOMASSON SURVEY, ABSTRACT No. 1265, THE BENJAMIN L. RUE SURVEY, ABSTRACT No. 1113, THE TEXAS & PACIFIC RAILROAD CO. SURVEY, ABSTRACT NO. 1299, THE THOMAS B. COX SURVEY, ABSTRACT NO. 309, THE JOHN MORTON SURVEY, ABSTRACT NO. 791, THE C. COPENHAVER SURVEY, ABSTRACT NO. 253 AND THE JOHN B. RUE SURVEY, ABSTRACT NO. 1112, DENTON COUNTY, TEXAS, BEING ALL OF TRACTS OF LAND DESCRIBED IN DEEDS TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NOS. 2006-15660, 2006-2064, 2006-77986, 2006-45938, 2006-2173, 2006-21488, 2005-160823, 2005-102910, 2017-120458, 2015-52357, 2015-52666, 2015-52800, 2015-52804, 2015-52807, 2015-53058, 2016-143508, 2018-113247, 2018-113248, 2018-113251, AND 2018-113254, OFFICAL RECORDS, DENTON COUNTY, TEXAS (O.R.D.C.T.), AND BEING PORTIONS OF TRACTS OF LAND DESCRIBED IN DEEDS TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NOS. 2005-102909 AND 2005-88401, O.R.D.C.T., AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND IN AN EAST LINE OF A TRACT OF LAND DESCRIBED IN A TRUSTEE'S DEED TO RITA L. SORRELLS, RECORDED IN DOCUMENT NO. 99-0068678, O.R.D.C.T., SAID IRON ROD ALSO BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T.;

THENCE NORTH 00°19'22" WEST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T. AND AN EAST LINE OF SAID SORRELLS TRACT, A DISTANCE OF 1325.01 FEET TO A 3/4" IRON ROD FOUND, BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T. AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO PUNKADILLY, LTD., RECORDED IN DOCUMENT NO. 2011-37656, O.R.D.C.T.;

THENCE NORTH 89°41'15" EAST, DEPARTING AN EAST LINE OF SAID SORRELLS TRACT AND ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T. AND ALONG THE SOUTH LINE OF SAID PUNKADILLY TRACT, A DISTANCE OF 2040.76 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING IN THE WEST LINE OF A TRACT OF LAND DESCRIBED AS A CALLED 85.17 ACRE TRACT IN TRACT 2 OF THE DEED TO SMILEY ROAD, LTD. RECORDED IN DOCUMENT NO. 2005-102909, O.R.D.C.T., THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T. AND THE SOUTHEAST CORNER OF SAID PUNKADILLY TRACT;

THENCE NORTH 00°23'08" WEST, ALONG THE WEST LINE OF SAID 85.17 ACRE TRACT, THE EAST LINE OF SAID PUNKADILLY TRACT AND THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T., A DISTANCE OF 1321.66 FEET TO A POINT, BEING THE NORTHEAST CORNER OF SAID PUNKADILLY TRACT AND THE SOUTHEAST CORNER OF A RIGHT-OF-WAY DEDICATION AS SHOWN ON THE PLAT OF WILLOW WOOD, AN ADDITION TO THE COUNTY OF



DENTON, TEXAS, ACCORDING TO THE PLAT RECORDED IN CABINET M, PAGE 260, PLAT RECORDS, DENTON COUNTY, TEXAS (P.R.D.C.T.);

THENCE NORTH 00°15'28" EAST, ALONG THE EAST LINE OF SAID RIGHT-OF-WAY DEDICATION AND THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T., A DISTANCE OF 370.59 FEET TO 1/2" IRON ROD FOUND, BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T. AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO DONALD C. MCCARTY AND JUDITH L. MCCARTY RECORDED IN DOCUMENT NO. 99-0027582, O.R.D.C.T.;

THENCE SOUTH 89°56'03" EAST, DEPARTING THE EAST LINE OF SAID RIGHT-OF-WAY DEDICATION AND ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T. AND THE SOUTH LINE OF SAID MCCARTY TRACT, AT A DISTANCE OF 1742.68 FEET, PASSING A POINT IN THE WEST LINE OF SAID 150.69 ACRE TRACT, SAID POINT BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-102910, O.R.D.C.T. AND THE SOUTHEAST CORNER OF SAID MCCARTY TRACT, CONTINUING IN ALL A TOTAL DISTANCE OF 2600.60 FEET TO A POINT, BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

THENCE SOUTHWESTERLY, AN ARC LENGTH OF 486.78 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 940.00 FEET, A DELTA ANGLE OF 29°40'16", AND A CHORD BEARING OF SOUTH 14°21'00" WEST, 481.36 FEET TO A POINT, BEING THE BEGINNING OF A REVERSE CURVE TO THE LEFT;

THENCE SOUTHERLY, AN ARC LENGTH OF 600.05 FEET ALONG SAID REVERSE CURVE TO THE LEFT, HAVING A RADIUS OF 560.00 FEET, A DELTA ANGLE OF 61°23'37" AND A CHORD BEARING OF SOUTH 01°30'40" EAST, 571.75 FEET TO A POINT;

THENCE SOUTH 32°12'29" EAST, A DISTANCE OF 137.65 FEET TO A POINT, BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE NORTHEASTERLY, AN ARC LENGTH OF 327.64 FEET ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 4060.00 FEET, A DELTA ANGLE OF 04°37'25", AND A CHORD BEARING OF NORTH 56°20'52" EAST, 327.55 FEET TO A POINT;

THENCE NORTH 54°02'09" EAST, A DISTANCE OF 874.56 FEET TO A POINT;

THENCE SOUTH 80°55'17" EAST, A DISTANCE OF 42.42 FEET TO A POINT;

THENCE SOUTH 35°57'51" EAST, A DISTANCE OF 180.66 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE SOUTHERLY, AN ARC LENGTH OF 847.55 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 910.00 FEET, A DELTA ANGLE OF 53°21'49", AND A CHORD BEARING OF SOUTH 09°16'56" EAST, 817.24 FEET TO A POINT;

THENCE SOUTH 17°23'58" WEST, A DISTANCE OF 70.75 FEET TO A POINT;

THENCE SOUTH 19°18'55" WEST, A DISTANCE OF 26.81 FEET TO A POINT;

THENCE SOUTH 70°41'05" EAST, A DISTANCE OF 80.00 FEET TO A POINT;

THENCE SOUTH 25°41'04" EAST, A DISTANCE OF 21.21 FEET TO A POINT;

THENCE SOUTH 70°41'03" EAST, A DISTANCE OF 892.93 FEET TO A POINT;

THENCE NORTH 19°18'55" EAST, A DISTANCE OF 88.26 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE LEFT;

THENCE NORTHERLY, AN ARC LENGTH OF 829.38 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 1935.00 FEET, A DELTA ANGLE OF 24°33'29", AND A CHORD BEARING OF NORTH 07°02'10" EAST, 823.04 FEET TO A POINT, BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE NORTHEASTERLY, AN ARC LENGTH OF 808.34 FEET ALONG SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 2180.00 FEET, A DELTA ANGLE OF 21°14'42", AND A CHORD BEARING OF NORTH 61°00'15" EAST, 803.71 FEET TO A POINT;

THENCE NORTH 81°10'33" EAST, A DISTANCE OF 50.00 FEET TO A POINT;

THENCE NORTH 12°23'11" WEST, A DISTANCE OF 21.75 FEET TO A POINT;

THENCE NORTH 64°22'06" EAST, A DISTANCE OF 139.86 FEET TO A POINT IN THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO SREE INVESTMENTS, LLC, RECORDED IN DOCUMENT NO. 2016-3796, O.R.D.C.T., FROM WHICH A 1/2" IRON ROD FOUND BEARS NORTH 00°18'16" WEST, 820.89 FEET, SAID IRON ROD BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., AND THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO PAUL W. STILES, RECORDED IN VOLUME 4863, PAGE 2543, DEED RECORDS, DENTON COUNTY, TEXAS (D.R.D.C.T.);

THENCE SOUTH 00°18'16" EAST, ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., AND THE WEST LINE OF SAID SREE TRACT, A DISTANCE OF 236.13 FEET TO A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE), SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID SREE TRACT AND THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T.;

THENCE NORTH 89°18'29" EAST, DEPARTING THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., ALONG THE SOUTH LINE OF SAID SREE TRACT AND THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AT A DISTANCE OF 892.73 FEET, PASSING A POINT, FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "PREMIER SURVEYING" BEARS SOUTH 00°41'31" EAST, 1.24 FEET, SAID POINT BEING THE SOUTHEAST CORNER OF SAID SREE TRACT AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO WEN CHEN, TIMOTHY WANG, XIANQUN WANG, RENLONG XIA & AMY ZHENG RECORDED IN DOCUMENT NO. 2011-92113, O.R.D.C.T., CONTINUING ALONG THE SOUTH LINE OF SAID WEN CHEN, TIMOTHY WANG, XIANQUN WANG, RENLONG XIA & AMY ZHENG TRACT, IN ALL A TOTAL DISTANCE OF 1199.23 FEET TO A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE), SAID IRON ROD BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AND THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A

DEED TO RICK D. NELSON AND TRAYCE TRAVIS NELSON RECORDED IN VOLUME 1692, PAGE 341, D.R.D.C.T.;

THENCE SOUTH 00°19'16" EAST, ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., A DISTANCE OF 1993.07 FEET TO A POINT IN THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO AMIR LOLOI AND SUSAN LOLOI, RECORDED IN DOCUMENT NUMBER 2006-152722, O.R.D.C.T.

THENCE SOUTH 89°25'19" WEST, DEPARTING THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AND THE WEST LINE OF SAID LOLOI TRACT, 959.99 FEET TO A POINT;

THENCE SOUTH 00°47'29" EAST, 227.10 FEET TO A POINT;

THENCE NORTH 89°25'19" EAST, 958.12 FEET TO A POINT IN THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AND THE WEST LINE OF SAID LOLOI TRACT;

THENCE SOUTH 00°19'16" EAST, ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AND THE WEST LINE OF SAID LOLOI TRACT, 22.87 FEET TO A 3/8" IRON ROD FOUND IN CAREY ROAD (A 60 FOOT WIDE PRESCRIPTIVE RIGHT-OF-WAY), SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T.;

THENCE SOUTH 89°18'26" WEST, ALONG SAID CAREY ROAD AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AT A DISTANCE OF 1198.75 FEET, PASSING A POINT, FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "ALLIANCE" BEARS SOUTH 00°20'00" EAST, 0.39 FEET, SAID POINT BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-160823, O.R.D.C.T., AND THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., CONTINUING ALONG SAID CAREY ROAD AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T., IN ALL A TOTAL DISTANCE OF 3196.46 FEET TO A RAILROAD SPIKE FOUND, BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2005-88401, O.R.D.C.T.;

THENCE SOUTH 89°24'49" WEST, A DISTANCE OF 48.26 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "PIBURN PARTNERS", BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T.;

THENCE SOUTH 00°48'51" EAST, ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T., AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO WEST CELINA 86 PARTNERS, LTD., RECORDED IN DOCUMENT NO. 2015-23235, O.R.D.C.T., A DISTANCE OF 1777.29 FEET TO A 1/2" IRON ROD FOUND IN THE NORTH LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO MERRITT/THORNTON MANAGEMENT COMPANY, L.L.C. RECORDED IN VOLUME 4428, PAGE 2046, D.R.D.C.T., SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T.;

THENCE SOUTH 89°14'06" WEST, ALONG THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T. AND THE NORTH LINE OF SAID MERRITT/THORNTON TRACT, A DISTANCE OF 1501.62 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID MERRITT/THORNTON MANAGEMENT COMPANY TRACT AND THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T.;

THENCE SOUTH 01°50'16" WEST, DEPARTING THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T., ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T. AND THE WEST LINE OF SAID MERRITT/THORNTON TRACT, A DISTANCE OF 654.51 FEET TO A 1/2" IRON ROD FOUND, BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T., AND THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO JAMES H. MERRITT, III RECORDED IN DOCUMENT NO. 95-R0068384, O.R.D.C.T.;

THENCE SOUTH 89°53'39" WEST, ALONG THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T., AND THE NORTH LINE OF SAID MERRITT TRACT, A DISTANCE OF 1903.85 FEET TO A 3/8" IRON ROD FOUND IN SMILEY ROAD (A 60 FOOT WIDE PRESCRIPTIVE RIGHT-OF-WAY), AND IN THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T., AND THE NORTHWEST CORNER OF SAID MERRITT TRACT;

THENCE SOUTH 00°07'31" EAST, ALONG SAID SMILEY ROAD, THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., THE WEST LINE OF SAID MERRITT TRACT, AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO CLAUDE WAYNE ADAMS & KATHLEEN ANN ADAMS RECORDED IN VOLUME 990, PAGE 32, D.R.D.C.T., AT A DISTANCE OF 1365.67 FEET, PASSING A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE), SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., THE SOUTHWEST CORNER OF SAID ADAMS TRACT AND THE NORTHWEST CORNER OF A 30 FOOT RIGHT-OF-WAY DEDICATION AS SHOWN ON THE PLAT OF SMILEY ACRES, AN ADDITION TO THE COUNTY OF DENTON, TEXAS, ACCORDING TO THE PLAT RECORDED IN CABINET D, PAGE 324, P.R.D.C.T., CONTINUING ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., THE WEST LINE OF SAID RIGHT-OF-WAY DEDICATION, AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO TEEL LAKES, LLC RECORDED IN DOCUMENT NO. 2009-126512, O.R.D.C.T., IN ALL A TOTAL DISTANCE OF 3567.93 FEET TO A 1/2" IRON ROD FOUND, SAID IRON ROD BEING THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO BORGATA, LLC, RECORDED IN DOCUMENT NO. 2014-49291, O.R.D.C.T.;

THENCE ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AS FOLLOWS:

(1) SOUTH 68°32'18" WEST, ALONG THE NORTH LINE OF SAID BORGATA TRACT, AT A DISTANCE OF 38.06 FEET PASSING A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700" AND CONTINUING IN ALL A TOTAL DISTANCE OF 684.74 FEET TO A 1/2" IRON ROD FOUND, BEING THE NORTHWEST CORNER OF SAID BORGATA TRACT;



(2) SOUTH 21°28'10" EAST, ALONG THE WEST LINE OF SAID BORGATA TRACT, A DISTANCE OF 986.29 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700";

(3) SOUTH 09°23'43" WEST, CONTINUING ALONG THE WEST LINE OF SAID BORGATA TRACT, A DISTANCE OF 101.52 FEET TO A 1/2" IRON ROD FOUND IN THE NORTHWEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO SALVADOR N. BUENTELLO, JR. AND JERE BUENTELLO RECORDED IN VOLUME 2633, PAGE 648, D.R.D.C.T., SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID BORGATA TRACT;

(4) SOUTH 31°20'08" WEST, ALONG THE NORTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 360.15 FEET TO A 1/2" IRON ROD FOUND;

(5) SOUTH 43°12'13" WEST, CONTINUING ALONG THE NORTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 258.66 FEET TO A 1/2" IRON ROD FOUND, BEING THE MOST WESTERLY CORNER OF SAID BUENTELLO TRACT;

(6) SOUTH 34°05'01" EAST, ALONG THE SOUTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 321.24 FEET TO A 1/2" IRON ROD FOUND IN THE NORTH LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., THE MOST SOUTHERLY SOUTHWEST CORNER OF SAID BUENTELLO TRACT, AND IN THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "JANUARY CONSULTANTS" BEARS SOUTH 72°43' EAST, 2.0 FEET;

THENCE NORTH 83°53'57" EAST, ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE SOUTH LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 127.83 FEET TO A 60D NAIL FOUND IN PARVIN ROAD (60 FOOT WIDE PRESCRIPTIVE RIGHT-OF-WAY);

THENCE ALONG SAID PARVIN ROAD AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AS FOLLOWS:

(1) SOUTH 70°28'11" WEST, A DISTANCE OF 3.77 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE LEFT;

(2) SOUTHWESTERLY, AN ARC LENGTH OF 372.52 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 1000.00 FEET, A DELTA ANGLE OF 21°20'38", AND A CHORD BEARING OF SOUTH 59°45'11" WEST, 370.37 FEET TO A POINT;

(3) SOUTH 49°04'52" WEST, A DISTANCE OF 345.20 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE RIGHT;

(4) SOUTHWESTERLY, AN ARC LENGTH OF 205.67 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 300.00 FEET, A DELTA ANGLE OF 39°16'51", AND A CHORD BEARING OF SOUTH 68°43'16" WEST, 201.67 FEET TO A POINT;

(5) SOUTH 88°21'40" WEST, A DISTANCE OF 580.48 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE LEFT;

(6) SOUTHWESTERLY, AN ARC LENGTH OF 176.08 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 425.00 FEET, A DELTA ANGLE OF 23°44'15", AND A CHORD BEARING OF SOUTH 76°29'33" WEST, 174.82 FEET TO A POINT, BEING THE BEGINNING OF A COMPOUND CURVE TO THE LEFT;

(7) SOUTHWESTERLY, AN ARC LENGTH OF 23.05 FEET ALONG SAID COMPOUND CURVE TO THE LEFT, HAVING A RADIUS OF 75.00 FEET, A DELTA ANGLE OF 17°36'34", AND A CHORD BEARING OF SOUTH 55°49'02" WEST, 22.96 FEET TO A POINT;

(8) SOUTH 53°04'15" WEST, A DISTANCE OF 28.85 FEET TO A POINT, BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO JO LYNN CAREY NINEMIRE, LAURA JEAN CAREY VARNER, AND MARK CARLTON CAREY, RECORDED IN DOCUMENT NO. 2014-16824, O.R.D.C.T., AND THE MOST SOUTHERLY SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED AS "FIRST TRACT" IN A DEED TO BRICE JACKSON, BOBBY C. JACKSON, AND NOLAN P. JACKSON, RECORDED IN VOLUME 4910, PAGE 2975, D.R.D.C.T.;

THENCE NORTH 02°04'42" EAST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE MOST SOUTHERLY EAST LINE OF SAID JACKSON TRACT, A DISTANCE OF 568.51 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "SPIARS ENG", SAID IRON ROD BEING A RE-ENTRANT CORNER OF SAID JACKSON TRACT AND THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T.;

THENCE NORTH 89°28'31" EAST, ALONG A NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE MOST EASTERLY SOUTH LINE OF SAID JACKSON TRACT, A DISTANCE OF 582.75 FEET TO AN EYE BOLT FOUND, BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE MOST EASTERLY SOUTHEAST CORNER OF SAID JACKSON TRACT;

THENCE NORTH 00°38'10" WEST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE EAST LINE OF SAID JACKSON TRACT, AT A DISTANCE OF 1047.10 FEET, PASSING A POINT, FROM WHICH AN EYE BOLT UNDER A FENCE BEARS SOUTH 89°21' WEST, 0.6 FEET, CONTINUING IN ALL A TOTAL DISTANCE OF 2646.23 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700", SAID IRON ROD BEING AN ELL CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T. AND THE NORTHEAST CORNER OF SAID JACKSON TRACT;

THENCE SOUTH 89°13'46" WEST, ALONG THE MOST WESTERLY SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., THE NORTH LINE OF SAID JACKSON TRACT AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., AT A DISTANCE OF 1482.92 FEET, PASSING A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700", FROM WHICH A PIPE FENCE POST BEARS SOUTH 10°42' WEST, 0.6 FEET, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID JACKSON TRACT AND THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO JO LYNN CAREY NINEMIRE, LAURA JEAN CAREY VARNER & MARK CARLTON CAREY, RECORDED IN DOCUMENT NO. 2014-16824, O.R.D.C.T., CONTINUING ALONG THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T. AND THE NORTH LINE OF SAID NINEMIRE, VARNER & CAREY

TRACT, IN ALL A TOTAL DISTANCE OF 2481.91 FEET TO A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE), BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., AND THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED AS TRACT 4 IN A DEED TO CADG SUTTON FIELDS, LLC RECORDED IN DOCUMENT NO. 2015-15963, O.R.D.C.T.;

THENCE NORTH 00°23'13" WEST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., AND THE EAST LINE OF SAID CADG SUTTON FIELDS TRACT, A DISTANCE OF 2685.00 FEET TO A 1/2" IRON ROD FOUND IN THE SOUTH LINE OF SAID SORRELLS TRACT, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T. AND THE NORTHEAST CORNER OF SAID CADG SUTTON FIELDS TRACT;

THENCE NORTH 89°30'13" EAST, ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., AND THE SOUTH LINE OF SAID SORRELLS TRACT, A DISTANCE OF 830.46 FEET TO A 1/2" IRON ROD FOUND, BEING THE MOST WESTERLY SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T. AND THE SOUTHEAST CORNER OF SAID SORRELLS TRACT;

THENCE NORTH 00°53'50" WEST, DEPARTING THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2064, O.R.D.C.T., ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., AND AN EAST LINE OF SAID SORRELLS TRACT, A DISTANCE OF 865.40 FEET TO A BOIS D'ARC FENCE POST FOUND, BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T. AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO MARTHA KING AND PEGGY EARTHMAN RECORDED IN VOLUME 3410, PAGE 811, D.R.D.C.T.;

THENCE ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T. AS FOLLOWS:

(1) NORTH 89°10'42" EAST, ALONG THE SOUTH LINE OF SAID KING AND EARTHMAN TRACT, A DISTANCE OF 2745.66 FEET TO A POINT, IN SAID SMILEY ROAD BEING THE SOUTHEAST CORNER OF SAID KING AND EARTHMAN TRACT AND THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO SANGANI PROPERTIES, LTD., RECORDED IN DOCUMENT NO. 2004-35477, O.R.D.C.T.;

(2) NORTH 89°17'22" EAST, ALONG SAID SMILEY ROAD AND THE SOUTH LINE OF SAID SANGANI TRACT, A DISTANCE OF 269.35 FEET TO A POINT, BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., AND THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO ANN A. KEIFER AND PAUL R. KEIFER RECORDED IN VOLUME 4589, PAGE 1880, D.R.D.C.T.;

THENCE SOUTH 00°06'01" EAST, ALONG SAID SMILEY ROAD, THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T. AND THE WEST LINE OF SAID KEIFER TRACT, A DISTANCE OF 376.75 FEET TO A 3/8" IRON ROD FOUND, BEING THE SOUTHWEST CORNER OF SAID KEIFER TRACT AND THE MOST WESTERLY NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T.;



THENCE NORTH 89°05'08" EAST, DEPARTING SAID SMILEY ROAD, THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-77986, O.R.D.C.T., AND ALONG THE MOST WESTERLY NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T. AND THE SOUTH LINE OF SAID KEIFER TRACT, A DISTANCE OF 925.13 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700", BEING THE SOUTHEAST CORNER OF SAID KEIFER TRACT;

THENCE NORTH 00°04'09" WEST, ALONG THE MOST NORTHERLY WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T. AND THE EAST LINE OF SAID KEIFER TRACT, A DISTANCE OF 377.27 FEET TO A 1/2" IRON ROD FOUND IN THE SOUTH LINE OF SAID SANGANI TRACT, SAID IRON ROD BEING THE NORTHEAST CORNER OF SAID KEIFER TRACT AND THE MOST NORTHERLY NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T.;

THENCE ALONG THE MOST NORTHERLY NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-45938, O.R.D.C.T AND THE SOUTH LINE OF SAID SANGANI TRACT AS FOLLOWS:

- (1) NORTH 89°17'39" EAST, A DISTANCE OF 115.47 FEET TO A 1/2" IRON ROD FOUND;
- (2) NORTH 89°11'07" EAST, A DISTANCE OF 378.27 FEET TO A 1/2" IRON ROD FOUND, BEING THE SOUTHEAST CORNER OF SAID SANGANI TRACT AND THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T.;

THENCE NORTH 00°28'30" WEST, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T., THE EAST LINE OF SAID SANGANI TRACT, AND THE EAST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO DON F. KENDALL & JULIA P. KENDALL, TRUSTEES OF THE KENDALL LIVING TRUST, RECORDED IN DOCUMENT NO. 2012-134665, O.R.D.C.T., A DISTANCE OF 1785.94 FEET TO A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE) IN SAID CAREY ROAD, IN THE SOUTH LINE OF SAID 85.17 ACRE TRACT, SAID IRON ROD BEING THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-2173, O.R.D.C.T., AND THE NORTHEAST CORNER OF SAID KENDALL TRACT;

THENCE SOUTH 89°22'32" WEST, ALONG SAID CAREY ROAD, THE SOUTH LINE OF SAID 85.17 ACRE TRACT, AND THE NORTH LINE OF SAID KENDALL TRACT, A DISTANCE OF 1685.69 FEET TO A 80D NAIL FOUND IN SAID SMILEY ROAD, BEING THE SOUTHWEST CORNER OF SAID 85.17 ACRE TRACT, THE NORTHWEST CORNER OF SAID KENDALL TRACT, THE NORTHEAST CORNER OF SAID KING AND EARTHMAN TRACT, AND THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T.;

THENCE SOUTH 89°44'12" WEST, DEPARTING SAID SMILEY ROAD, ALONG THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-21488, O.R.D.C.T., AND THE NORTH LINE OF SAID KING AND EARTHMAN TRACT, A DISTANCE OF 2042.09 FEET TO THE PLACE OF BEGINNING AND CONTAINING 904.276 ACRES (39,390,280 SQUARE FEET) OF LAND, MORE OR LESS.



SAVE AND EXCEPT:

BEING A TRACT OF LAND LOCATED IN THE JOHN B. RUE SURVEY, ABSTRACT No. 1112, AND THE BENJAMIN L. RUE SURVEY, ABSTRACT NO. 1113, DENTON COUNTY, TEXAS, BEING ALL OF A TRACT OF LAND DESCRIBED IN A DEED TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NO. 2017-120458, OFFICIAL RECORDS, DENTON COUNTY, TEXAS (O.R.D.C.T.), A PORTION OF A TRACT OF LAND DESCRIBED IN A DEED TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND IN SMILEY ROAD (A PRESCRIPTIVE RIGHT-OF-WAY), BEING IN THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO TEEL LAKES, LLC, RECORDED IN DOCUMENT NO. 2009-126512, O.R.D.C.T., AND BEING THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO BORGATA, LLC, RECORDED IN DOCUMENT NO. 2014-49291, O.R.D.C.T.;

THENCE ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AS FOLLOWS:

(1) S 68°32'18" W, ALONG THE NORTH LINE OF SAID BORGATA TRACT, AT A DISTANCE OF 38.06 FEET PASSING A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700" AND CONTINUING IN ALL A TOTAL DISTANCE OF 684.74 FEET TO A 1/2" IRON ROD FOUND, BEING THE NORTHWEST CORNER OF SAID BORGATA TRACT;

(2) S 21°28'10" E, ALONG THE WEST LINE OF SAID BORGATA TRACT, A DISTANCE OF 986.29 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "J.E. SMITH RPLS 3700";

(3) S 09°23'43" W, CONTINUING ALONG THE WEST LINE OF SAID BORGATA TRACT, A DISTANCE OF 101.52 FEET TO A 1/2" IRON ROD FOUND IN THE NORTHWEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO SALVADOR N. BUENTELLO, JR. AND JERE BUENTELLO RECORDED IN VOLUME 2633, PAGE 648, DEED RECORDS, DENTON COUNTY, TEXAS (D.R.D.C.T.), SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID BORGATA TRACT;

(4) S 31°20'08" W, ALONG THE NORTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 360.15 FEET TO A 1/2" IRON ROD FOUND;

(5) S 43°12'13" W, CONTINUING ALONG THE NORTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 258.66 FEET TO A 1/2" IRON ROD FOUND, BEING THE MOST WESTERLY CORNER OF SAID BUENTELLO TRACT;

(6) S 34°05'01" E, ALONG THE SOUTHWEST LINE OF SAID BUENTELLO TRACT, A DISTANCE OF 321.24 FEET TO A 1/2" IRON ROD FOUND IN THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE MOST SOUTHERLY SOUTHWEST CORNER OF SAID BUENTELLO TRACT, FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP STAMPED "JANUARY CONSULTANTS" BEARS S 72°43' E, 2.0 FEET;

THENCE N 83°53'57" E, ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE SOUTH LINE OF SAID BUENTELLO TRACT, A

DISTANCE OF 127.83 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" IN PARVIN ROAD (60 FOOT WIDE PRESCRIPTIVE RIGHT-OF-WAY);

THENCE ALONG SAID PARVIN ROAD AND THE SOUTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AS FOLLOWS:

(1) S 70°28'11" W, A DISTANCE OF 3.77 FEET TO A POINT, BEING THE BEGINNING OF A CURVE TO THE LEFT;

(2) SOUTHWESTERLY, AN ARC LENGTH OF 372.52 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 1000.00 FEET, A DELTA ANGLE OF 21°20'38", AND A CHORD BEARING OF S 59°45'11" W, 370.37 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

(3) S 49°04'52" W, A DISTANCE OF 345.20 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A CURVE TO THE RIGHT;

(4) SOUTHWESTERLY, AN ARC LENGTH OF 205.67 FEET ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 300.00 FEET, A DELTA ANGLE OF 39°16'51", AND A CHORD BEARING OF S 68°43'16" W, 201.67 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

(5) S 88°21'40" W, A DISTANCE OF 580.48 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC", BEING THE BEGINNING OF A CURVE TO THE LEFT;

(6) SOUTHWESTERLY, AN ARC LENGTH OF 176.08 FEET ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 425.00 FEET, A DELTA ANGLE OF 23°44'15", AND A CHORD BEARING OF S 76°29'33" W, 174.82 FEET TO A MAG NAIL SET, BEING THE BEGINNING OF A COMPOUND CURVE TO THE LEFT;

(7) SOUTHWESTERLY, AN ARC LENGTH OF 23.05 FEET ALONG SAID COMPOUND CURVE TO THE LEFT, HAVING A RADIUS OF 75.00 FEET, A DELTA ANGLE OF 17°36'34", AND A CHORD BEARING OF S 55°49'02" W, 22.96 FEET TO A MAG NAIL SET;

(8) S 53°04'15" W, A DISTANCE OF 28.85 FEET TO A MAG NAIL SET, BEING THE SOUTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO JO LYNN CAREY NINEMIRE, LAURA JEAN CAREY VARNER, AND MARK CARLTON CAREY, RECORDED IN DOCUMENT NO. 2014-16824, O.R.D.C.T., AND THE MOST SOUTHERLY SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED AS "FIRST TRACT" IN A DEED TO BRICE JACKSON, BOBBY C. JACKSON, AND NOLAN P. JACKSON, RECORDED IN VOLUME 4910, PAGE 2975, D.R.D.C.T.;

THENCE N 02°04'42" E, DEPARTING PARVIN ROAD, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE MOST SOUTHERLY EAST LINE OF SAID JACKSON TRACT, A DISTANCE OF 568.51 FEET TO A 1/2" IRON ROD FOUND WITH A CAP STAMPED "SPIARS ENG", SAID IRON ROD BEING A RE-ENTRANT CORNER OF SAID JACKSON TRACT AND THE NORTHWEST CORNER OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T.;

THENCE N 89°28'31" E, ALONG THE NORTH LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2017-120458, O.R.D.C.T., AND THE MOST EASTERLY SOUTH LINE OF SAID JACKSON TRACT, A DISTANCE OF 582.75 FEET TO AN EYE BOLT FOUND, BEING THE SOUTHWEST CORNER OF

SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE MOST EASTERLY SOUTHEAST CORNER OF SAID JACKSON TRACT;

THENCE N 00°38'10" W, ALONG THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE EAST LINE OF SAID JACKSON TRACT, AT A DISTANCE OF 1047.10 FEET, PASSING A POINT, FROM WHICH AN EYE BOLT UNDER A FENCE BEARS S 89°21' W, 0.6 FEET, CONTINUING IN ALL A TOTAL DISTANCE OF 2213.09 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC";

THENCE N 89°53'12" E, DEPARTING THE WEST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE EAST LINE OF SAID JACKSON TRACT, A DISTANCE OF 1335.44 FEET TO A 1/2" IRON ROD SET WITH A CAP STAMPED "WIER & ASSOC INC" IN SAID SMILEY ROAD, IN THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND IN THE WEST LINE OF SAID TEEL LAKES TRACT;

THENCE S 00°07'31" E, ALONG SAID SMILEY ROAD, THE EAST LINE OF SAID SMILEY ROAD TRACT RECORDED IN DOCUMENT NO. 2006-15660, O.R.D.C.T., AND THE WEST LINE OF SAID TEEL LAKES TRACT, A DISTANCE OF 197.10 FEET TO THE PLACE OF BEGINNING AND CONTAINING 59.968 ACRES (2,612,202 SQUARE FEET) OF LAND, MORE OR LESS.

TRACT 2:

BEING A TRACT OF LAND LOCATED IN THE ANTHONY THOMASSON SURVEY, ABSTRACT No. 1265, BEING A PORTION OF A TRACT OF LAND DESCRIBED IN A DEED TO SMILEY ROAD, LTD., RECORDED IN DOCUMENT NUMBER 2005-160823, OFFICIAL RECORDS, DENTON COUNTY, TEXAS (O.R.D.C.T.), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF SAID SMILEY ROAD TRACT AND THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO AMIR LOLOI AND SUSAN LOLOI, RECORDED IN DOCUMENT NUMBER 2006-152722, O.R.D.C.T., FROM WHICH A 1/2" IRON ROD FOUND WITH A CAP (ILLEGIBLE) BEARS NORTH 00°19'16" WEST, 1993.07 FEET, SAID IRON ROD BEING THE NORTHEAST CORNER OF SAID SMILEY ROAD TRACT AND THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN A DEED TO RICK D. NELSON AND TRAYCE TRAVIS NELSON, RECORDED IN VOLUME 1692, PAGE 341, DEED RECORDS, DENTON COUNTY, TEXAS (D.R.D.C.T.);

THENCE SOUTH 00°19'16" EAST, ALONG THE EAST LINE OF SAID SMILEY ROAD TRACT AND THE WEST LINE OF SAID LOLOI TRACT, 227.10 FEET TO A POINT, FROM WHICH A 3/8" IRON ROD FOUND IN CAREY ROAD (A 60 FOOT WIDE PRESCRIPTIVE RIGHT-OF-WAY) BEARS SOUTH 00°19'16" EAST, 22.87 FEET, SAID IRON ROD BEING THE SOUTHEAST CORNER OF SAID SMILEY ROAD TRACT AND THE SOUTHWEST CORNER OF SAID LOLOI TRACT;

THENCE SOUTH 89°25'19" WEST, DEPARTING THE EAST LINE OF SAID SMILEY ROAD TRACT AND THE WEST LINE OF SAID LOLOI TRACT, 958.12 FEET TO A POINT;

THENCE NORTH 00°47'29" WEST, 227.10 FEET TO A POINT;

THENCE NORTH 89°25'19" EAST, 959.99 FEET TO THE PLACE OF BEGINNING AND CONTAINING 5.000 ACRES (217,800 SQUARE FEET) OF LAND, MORE OR LESS.

### **ASSUMPTIONS AND LIMITING CONDITIONS**

This report is subject to the following assumptions and limiting conditions:

- 1) The value assumes of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise described herein. No responsibility is assumed by the appraiser for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- 2) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser assumes no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches, and other exhibits that have been furnished and have been used in this report are not guaranteed.
- 3) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.
- 4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- 5) Appraisers assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- 6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser, and in any event, only in its entirety.
- 7) The appraiser, by reason of this report, is not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made, therefore.
- 8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.
- 9) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.
- 10) Any construction and physical condition of the improvements described herein are based on the building construction plans and specifications and construction budgets if provided. No liability is assumed by the appraiser for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field as this is any considered "to-be-built" improvements.

- 11) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser site visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- 12) We have made no survey of the property and assume no responsibility in connected with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
- 13) We accept no responsibility for issues requiring expertise in other fields. Such factors include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic items such as soils and seismic stability; civil, mechanical, electrical, structural, and other engineering and environmental matters. Such issues may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
- 14) The projections of income, expenses, terminal values, or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.
- 15) The client or user of this report agrees to notify the appraiser of any error, omission or inaccurate data contained in the report within 15 days of receipt and return the report and all copies thereof to the appraiser for correction prior to any use.
- 16) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.
- 17) We have assumed no extreme fluctuations in the economic cycles will occur over the dates analyzed herein.
- 18) The appraisal report and value conclusions assume the satisfactory development proceeds in a workmanlike manner.



- 19) The conclusions in this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, existing trends, interviews with parties knowledgeable and experienced in the market, data obtained from public records, and research conducted by third parties. Such data is not always completely reliable. The appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the Effective Date of this assignment. In addition, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we hold the opinion that our finding is reasonable based on current market conditions, we do not represent that these estimates will be achieved, as they are forecasts and subject to risk and uncertainty. Additionally, we assume competent and effective management and market for the duration of the projected holding period of this property.
- 20) Prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to risk and uncertainty. Many events could occur that may substantially alter the outcome of our estimates such as changes in the economy, interest rates, capitalization rates, the behavior of consumers, investors, and lenders, and changes in title or conveyances of easements and deed restrictions. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.
- 21) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan. However, it is based on a hypothetical assumption that access to the south tract is achievable in accordance with all applicable regulations, and any building is to be constructed according to the approved plans and specifications provided by a licensed general contractor.
- 22) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.
- 23) In addition to the preceding assumptions and limiting conditions, this appraisal is subject to the following extraordinary assumptions and/or hypothetical conditions:

## EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

### Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **extraordinary assumptions** that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary assumptions are used in this assignment because the improved residential lots to be delivered by the dates utilized in this report are currently incomplete as of the report date.

- Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications provided by the engineering plans published by Wier & Associates for 748 improved residential lots in IA #1 and 1,826 residential paper lots in the Remainder Area of Green Meadows PID.
- All information relative to the property located within Green Meadows PID including land areas, lot totals, lot sizes, and other pertinent data that was provided by OPP-Green Meadows LP (Owner), Green Meadows Community, Inc. (Developer), Wier & Associates (Professional Engineers and Surveyor), Denton County, and the Denton Central Appraisal District is assumed to be correct.
- The subject is proposed residential lots construction with an expected completion date of February 1, 2026 for IA G1A and IA G1B, and July 1, 2026 for IA P1 and IA K1; and February 1, 2026 for the RA therefore, this report contains a prospective opinion of value. Considering this, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation date. Further, we cannot be held responsible for unforeseeable global events that alter market conditions prior to the prospective Effective Date.

### The use of these extraordinary assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

No Hypothetical Conditions are used in this report.



## **ENVIRONMENTAL ASSUMPTIONS**

This report is subject to the following environmental assumptions:

- 1) There is a safe, lead-free, adequate supply of drinking water.
- 2) The subject property is free of soil contamination.
- 3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.
- 4) There are no uncontained PCB's on or near the property.
- 5) The radon level is at or below EPA recommended levels.
- 6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled and sealed.
- 7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.
- 8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.
- 9) There is no flaking or peeling of lead-based paint on the property.
- 10) The property is free of air pollution.
- 11) There are no wetlands/flood plains on the subject property (unless otherwise stated in the report).
- 12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

## DEFINITIONS

### **Fee Simple Estate**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

### **Leased Fee Interest**

The ownership interest held by the lessor includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

### **Leasehold Interest**

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

### **Market Rent**

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

### **Market Value**

*Market value* means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The value conclusions expressed within this report are in terms of cash (\$US).

**Extraordinary assumptions** are assignment-specific assumptions as of the Effective Date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

**Hypothetical Condition** is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the Effective Date of the assignment results but is used for the purpose of analysis.

### **Prospective Opinion of Value**

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a valued opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

### **Prospective Market Value “As Completed” and “As Stabilized”**

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an Effective Date that is subsequent to the date of the Appraisal Report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed - reflects the property’s market value as of the time that development is expected to be completed. The prospective market value - as stabilized - reflects the property’s market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Statement 4\* and Advisory Opinion 17.) (Interagency Appraisal and Evaluation Guidelines)

### **Retrospective Value Opinion**

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a valuable opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

### **Neighborhood**

- (1) A group of complementary land users; a congruous grouping of inhabitants, buildings, or business enterprises.
- (2) A developed residential super pad within a master-planned community usually has a distinguishing name and entrance.

### **Depreciation**

1. In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the Effective Date of the appraisal and the market value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset’s life; calculated using a variety of standard techniques.

The three major types of accrued depreciation are:

#### *Physical Deterioration*

Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition is generally the measure of deferred maintenance.

## *Green Meadows Public Improvement District*

### *Functional Obsolescence*

Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

### *External Obsolescence*

According to the Dictionary of Real Estate Appraisal, Sixth Edition, external obsolescence is “*A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent.*”

### **Paper Lot**

Consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.

### **Definition Sources:**

- Office of the Comptroller of the Currency (12 CFR Part 34)
- Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.
- The Appraisal Foundation: USPAP (Uniform Standards of Professional Appraisal Practice) 2018-2019 edition

*Green Meadows Public Improvement District*

**JAMES L. MAIBACH, CPM - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER**

**EDUCATION:**

Graduate North Quincy High School, Quincy, Massachusetts, 1976  
Bachelor of Science in Business Administration (with Honors)  
Northeastern University, Boston Massachusetts, 1981  
Major: Accounting Minor: Marketing

**TECHNICAL TRAINING:**

Institute of Real Estate Management Courses:  
#303 - Leasing and Management of Shopping Center and Retail Space  
#400 - Managing Real Estate as an Investment  
#500 - Problem-Solving & Decision-Making for the Property Manager  
#800 - Ethics in Real Estate Management  
University of Texas at Arlington: Real Estate Courses:  
RE 001 Real Estate Finance; RE 004 Real Estate Mathematics;  
RE 101 Principles of Real Estate; RE 301 Texas Real Estate Law: Contracts;  
RE 501 Texas Real Estate Law; RE 701 Property Management  
East Texas Baptist University:  
Uniform Standards of Professional Appraisers and Code of Ethics. The Appraisal Foundation:  
USPAP Update  
Texas Association of Property Tax Professionals, Inc.:  
Principles of Property Tax Consulting; A Survey of Texas Property Tax Law  
Other: USPAP-97 Instructor's Workshop, USPAP Instructor 1997  
TREC Licensed Instructor – Commercial Investment Course, CEI 1998  
Continuing Education Institute:  
Deceptive Trade Practices Act; Let's Talk-Not Fight; Property Taxes: Rights, Remedies and Responsibilities; USPAP Update  
Institute for Real Estate Professionals, Inc.  
Preparing & Presenting an Ethical Ad Valorem Property Tax Valuation; Texas Property Tax Law 2007  
Texas Association of Realtors:  
Tarrant County Appraisal Review Board Member (1991-1992)

**PROFESSIONAL AFFILIATIONS:**

Texas Appraiser Licensing and Certification Board - State Certified General Real Estate Appraiser No. TX-1323658-G since 1992  
Institute of Real Estate Management (IREM)- Certified Property Manager, CPM Designation No. 14942 since 1993  
Texas Real Estate Broker's License, No. 375882 since 1989  
Texas Dept. of Licensing & Regulations - Licensed Property Tax Consultant, License #1360 since inception  
Texas Property Tax Arbitrator #32020394139 since 2006  
Tarrant Appraisal Review Board Member 1991-1992 Appointment  
City of Arlington - Planning and Zoning – Commissioner 1997-2003 (Appointed by Mayor and City Council)  
American Planning Association – Member 1997 to 2003  
Greater Arlington Chamber of Commerce - Board of Directors 1995 to 2001 – Reappointed 2003 to 2006 – Reappointed 2008 to 2014  
– Chairman of the Board 2022, now servicing as Chairman of the Chamber Foundation Board  
City of Arlington Parks & Recreation – Board of Directors, Appointed 2003 to 2007  
Levitt Pavilion – Board of Directors since 2014

**EXPERIENCE:**

Active field appraiser, property manager, developer, broker, and tax consultant of all types of real property since June, 1986. Appeared in Texas State Court as an expert witness on real estate values on numerous occasions (1990s, 2000s, 2020s). A property manager and developer for nineteen years at Peyco Properties, Inc. and twenty-one years through Peyco Southwest Realty, Inc. (formerly Southwest Real Estate Services, Inc.), involved in real estate development, leasing, management, rent analysis and consulting services through the DFW metroplex and Colorado. President and founder of Peyco Southwest Realty, Inc. (Southwest Real Estate Services, Inc.), a full-service brokerage company, real estate appraisal, and ad valorem property tax representation firm.



## Certified General Real Estate Appraiser

Appraiser: **James Lawrence Maibach**

License #: **TX 1323658 G**

License Expires: **09/30/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:  
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

**Chelsea Buchholtz**  
Executive Director

**LESLIE TOLLIVER – STATE CERTIFIED GENERAL REAL ESTATE APPRAISER**

**EDUCATION:**

MBA – Masters in Business Administration – *University of Phoenix* (3.95 GPA)

Bachelor of Science in Business Administration - *University of Phoenix*

Graduate *Owings Mills High School*, Owings Mills, Maryland, 1988

**TECHNICAL TRAINING:**

*Appraisal Institute* – 300 hours of qualifying education for the Certified General Appraiser license

*University of Texas in Arlington* – 180 hours of qualifying education for the Texas Real Estate License

*Southern Methodist University* – qualifying education for the Texas Comptroller Arbitrator registry

**PROFESSIONAL AFFILIATIONS:**

*Texas Appraiser Licensing and Certification Board* – State Certified General Appraiser No. TX-1381494

*Texas Appraiser Licensing and Certification Board* – State Certified Residential Appraiser No. TX-1361274

*Texas Real Estate Commission* – Real Estate Broker License, No. 0468343

**EXPERIENCE:**

- 7 Years' experience as a fee appraiser for residential and commercial properties for *Peyco Southwest Realty*, *Aloft Appraisals*, and *G.S. Zachary Company*
  - Residential appraisals – area of expertise is in north Texas region; FHA certified
  - Commercial appraisals - throughout the states of Texas and Oklahoma
- 24 Years' experience as a residential and commercial real estate broker for multiple firms
  - *Savage Realty Investments* – Founding President
    - Negotiated contracts for clients in over \$50 million dollars of real estate transactions
    - Managed and trained over 25 Real Estate Agents
  - *Fathom Realty* – Broker Team Leader
    - Trained and mentored Real Estate Agents and assisted them with contracts and client transactions
- 24 Years' experience as a Property Tax Consultant
  - Valued properties, prepared cases, and appeared before Appraisal Review Boards to dispute the tax valuations of residential, commercial, and business personal property throughout the nation. Major clientele base included national accounts such as: Sonic restaurants, Church's Chicken restaurants, and Chuck-E-Cheese restaurants
- 9 Years' experience as a Real Estate Arbitrator on the *Texas Comptroller* registry
  - Act as an Arbitrator for real estate cases involving property tax disputes on residential, commercial, and business personal property taxes throughout Texas
  - Made binding valuation determinations for the disputed properties
- 16 Years' experience as a Real Estate Instructor at the *University of Texas in Arlington*
  - Adjunct instructor, teaching real estate classes to students pursuing a Real Estate Agent license in Texas
- 6 Years' experience as a Real Estate Arbitrator Instructor at the *University of Texas in Arlington*
  - Adjunct instructor, teaching continuing education classes to existing Arbitrators on the Texas Comptroller's registry
  - Trained and mentored many Arbitrators
- 3 Year's expectancy as a Real Estate Acquisition and Valuation Analyst for multiple firms
  - *KeyGlee* – Provided valuation of residential real estate for wholesaling to real estate investors
  - *Hyperion Homes* – Provided valuation of residential real estate for rent-to-own clients



## Certified General Real Estate Appraiser

Appraiser: **Leslie Elizabeth Tolliver**

License #: **TX 1381494 G**

License Expires: **09/30/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:  
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

**Chelsea Buchholtz**  
Executive Director



**BROOKE CLOCK – LICENSED RESIDENTIAL APPRAISER**

**TECHNICAL TRAINING:**

McKissock Learning Appraisal Courses:

- Advanced Residential Applications and Case Studies
- Residential Report Writing and Case Studies
- Statistics, Modeling and Finance
- Appraisal Subject Matter Electives
- Residential Appraiser Site Valuation and Cost Approach
- Residential Market Analysis and Highest and Best Use
- Residential Sales Comparison and Income Approaches
- Basic Appraisal Procedures
- 2020-2021 National USPAP Course
- Short Sales and Foreclosures
- Fair Housing
- Characteristics of Real Estate Title Insurance

**APPRAISAL EXPERIENCE:**

April 2024 – Present

Licensed Residential Appraiser with Peyco Southwest Realty, Arlington, TX

- Written Reports on Commercial Industrial, Commercial Office, Vacant Land.
- Property Tax Consultant (#13083)
- Business Personal Property.
- April 2023-April 2024

Licensed Residential Appraiser with RSDS Appraisal Diversity, Irving, TX

- Residential Real Estate Appraisals – area of expertise in the North Texas Region.

March 2022-February 2023

Real Estate Appraiser Trainee with Aloft Appraisal

- Residential Real Estate Appraisals – area of expertise in the North Texas Region.

April 2021-February 2022

Real Estate Appraiser Trainee with ASI, Inc.

- Residential Real Estate Appraisals – area of expertise in the North Texas Region.

January 2009 – August 2021

Licensed Real Estate Agent with Elite Real Estate

- Real Estate Agent with a focus on lead generation, appointment setting, and follow-up. Concentrating on client's needs and providing solutions to assist in closing transactions. Proficient at negotiating deals, listing properties, and finding buyers.
- Develop Broker Price Opinions for lenders in real estate transactions.



## Licensed Residential Real Estate Appraiser

Appraiser: **Brooke Marie Clock**

License #: **TX 1350743 L**

License Expires: **03/31/2025**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:  
Licensed Residential Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

  
Chelsea Buchholtz  
Commissioner

**BRANDON L. LAWSON – APPRAISER TRAINEE**

**EDUCATION:**

Bachelor of Arts - Communication, 2021 - University of Arkansas (3.97 GPA)

Master of Arts - Communication, 2023 - University of Arkansas (4.0 GPA)

Graduate *Arlington Martin High School*, Arlington, Texas, 2017

**TECHNICAL TRAINING:**

- Basic Appraisal Principles (QE) – 30 Hours
- Basic Appraisal Procedures (QE) – 30 Hours
- 2020-2021 15 Hour National USPAP Course (QE) – 15 Hours
- Supervisor-Trainee Course for Texas – 4 Hours
- Principals of Real Estate I & II (QE) – 60 Hours
- Law of Agency (QE) – 30 hours
- Law of Contracts (QE) – 30 hours
- Principals of Real Estate I and II (QE) – 60 hours
- Promulgated Contracts Forms (QE) – 30 hours
- Real Estate Finance (QE) – 30 hours
- Practicing Affiliate, Appraisal Institute – since 2023

**PROFESIONAL AFFILIATIONS:**

*Texas Appraiser Licensing and Certification Board* – Appraisal Trainee No. TX-1343865

**APPRAISER EXPERIENCE**

July 2023-Present

Appraiser Trainee with *Peyco Southwest Realty Inc.*, Arlington, TX

- Commercial Appraisals – throughout that state of Texas



## Appraiser Trainee

Trainee: **Brandon L Lawson**

Authorization #: **TX 1343865 Trainee**

Expires: **11/30/2025**

Review the list of the above Trainee's Supervisors on the License Holder Search at [www.talcb.texas.gov](http://www.talcb.texas.gov).

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Appraiser Trainee

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

  
Chelsea Buchholtz  
Commissioner

## **APPENDIX F**

### **FORM OF CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT**

*The form of Construction, Funding and Acquisition Agreement attached hereto is the form for Improvement Area G1A. Each Construction, Funding and Acquisition Agreement for Improvement Area G1B, Improvement Area K1 and Improvement Area P1 is expected to be substantially similar to the form set forth herein.*

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**GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA  
G1A CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT**

This **GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA G1A CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT** (this “Agreement”), dated as of March 11, 2025 is by and among **DENTON COUNTY, TEXAS** (the “County”), and **GRAND OAKS RESIDENTIAL DEVELOPMENT, LLC**, a Texas limited liability company, (the “Developer”). The Developer and the County are sometimes individually referred to as a “Party” and collectively as the “Parties.”

**ARTICLE I  
DEFINITIONS**

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

“**Act**” means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

“**Actual Costs**” means, with respect to the Improvement Area G1A Local Projects, the actual costs paid or incurred by or on behalf of the Developer, including the following: (1) the costs incurred by the Developer, or on behalf of the Developer (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Improvement Area G1A Local Projects; (2) the fees paid for obtaining permits, licenses or other governmental approvals for such Improvement Area G1A Local Projects; (3) the costs incurred by or on behalf of the Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services; (4) all labor, bonds and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction or implementation of the Improvement Area G1A Local Projects; (5) all related permitting and public approvals expenses, architectural, engineering, legal and consulting fees, and governmental fees and charges; and (6) costs to implement, administer and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of the construction costs if managed by or on behalf of the Developer.

“**Administrator**” means, initially, Willdan Financial Services, or any other individual or entity designated by the County to administer the District.

**“Annual Service Plan Update”** means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan.

**“Authorized Improvements”** means improvements authorized by Section 372.003 of the Act, including, but not limited to the Improvement Area G1A Local Projects, as described and listed in Section IV of the Service and Assessment Plan or an Annual Service Plan Update.

**“Bond Order”** means the order adopted by the Commissioners Court on March 11, 2025 authorizing the issuance of the Bonds pursuant to the Indenture.

**“Bonds”** means the County’s bonds designated “Denton County, Texas, Special Assessment Revenue Bonds, Series 2025 (Green Meadows Public Improvement District Improvement Area #1 Project)”.

**“Budgeted Costs”** means the anticipated, agreed upon costs of the Improvement Area G1A Local Projects as shown in the Service and Assessment Plan.

**“Certification for Payment”** means a certificate, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the Developer, the Administrator and the County Representative, executed by the Developer or its representative and approved by the County Representative, provided no more frequently than each month to the County Representative and the Trustee, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment from the Improvement Area G1A Local Projects Account of the Project Fund for Actual Costs of Improvement Area G1A Local Projects under the Indenture.

**“City”** means the City of Celina, Texas.

**“Closing Disbursement Request”** means the certificate, substantially in the form of **Exhibit A** hereto or otherwise mutually agreed to by the Developer, Administrator and County Representative, executed by an engineer, construction manager or other person or entity acceptable to the County, as evidenced by the signature of a County Representative, specifying the amounts to be disbursed for the costs related to the creation of the District and the costs of issuance of the Bonds.

**“Construction Contracts”** means the contracts for the construction of an Improvement Area G1A Local Project.

**“Construction Contract”** means any one of the Construction Contracts.

**“Cost”** means the Budgeted Costs or the cost of an Improvement Area G1A Local Project as reflected in a Construction Contract, if greater than the Budgeted Costs.

**“Cost Overrun”** means, with respect to each Improvement Area G1A Local Project, the Actual Cost of such Improvement Area G1A Local Project in excess of the Budgeted Cost.



**“Costs of Issuance Account”** means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

**“County Administrator”** means the County Administrator of the County, or its designee.

**“County Representative”** means that official or agent of the County authorized by the Commissioners Court to undertake the action referenced herein. As of the date hereof, the County Auditor, County Administrator, County Inspector, and/or its designees are the authorized County Representatives.

**“District”** shall mean Green Meadows Public Improvement District.

**“Final Completion”** means completion of an Improvement Area G1A Local Project in compliance with existing County standards for dedication under the County’s subdivision regulations, City standards and specifications, Mustang SUD standards and specifications, TCEQ standards and specifications, the Financing Agreement and any other governmental entity, as applicable.

**“Financing Agreement”** shall mean the Green Meadows Public Improvement District Financing Agreement by and among OPP-Green Meadows, LP, a Texas limited partnership, North Celina, LP, a Texas limited partnership, South GM, LP, a Texas limited partnership, GM-Celina, LP, a Texas limited partnership, the County, and Smiley Road WCID No. 2, dated as of December 10, 2024, as partially assigned to the Developer.

**“Force Majeure”** means any act that (i) materially and adversely affects the affected Party’s ability to perform the relevant obligations under this Agreement or delays such affected Party’s ability to do so, (ii) is beyond the reasonable control of the affected Party, (iii) is not due to the affected Party’s fault or negligence and (iv) could not be avoided, by the Party who suffers it, by the exercise of commercially reasonable efforts. “Force Majeure” shall include: (a) natural phenomena, such as storms, floods, lightning and earthquakes; (b) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (c) transportation disasters, whether by ocean, rail, land or air; (d) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (e) fires; (f) epidemic or pandemic; and (g) actions or omissions of a governmental authority (including the actions of the County in its capacity as a governmental authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach of its obligations under this Agreement or any applicable law; provided, however, that under no circumstances shall Force Majeure include any of the following events: (h) economic hardship; (i) changes in market condition; (j) any strike or labor dispute involving the employees of the Developer or any Developer affiliate, other than industry or nationwide strikes or labor disputes; (k) weather conditions which could reasonably be anticipated by experienced contractors operating the relevant location; (l) the occurrence of any manpower, material or equipment shortages; or (m) any delay, default or failure (financial or otherwise) of the

general contractor or any subcontractor, vendor or supplier of the Developer, or any construction contracts for the Improvement Area G1A Local Projects.

**“Indenture”** means that certain Indenture of Trust by and between the County and U.S. Bank Trust Company, National Association, as trustee, dated as of March 1, 2025 relating to the Bonds.

**“Inspector”** means an individual employed by or an agent of the County, Mustang SUD, and/ or the Smiley Road WCID No. 2 whose job is, in part or in whole, to inspect infrastructure to be owned by Mustang SUD or the Smiley Road WCID No. 2 for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

**“Interlocal Agreement (SUD)”** means that Interlocal Cooperation Agreement by and between the County and Mustang SUD, effective as of March 11, 2025.

**“Interlocal Agreement (WCID)”** means that Interlocal Cooperation Agreement by and between the County and Smiley Road WCID No. 2, effective as of March 11, 2025.

**“Interlocal Agreements”** means collectively, the Interlocal Agreement (SUD) and the Interlocal Agreement (WCID).

**“Improvement Area G1A”** means a portion of the property within the District, as further depicted and identified in Exhibits A-4 and K-2 in the Service and Assessment Plan.

**“Improvement Area G1A Local Improvements”** means the Authorized Improvements which only benefit the Assessed Property within Improvement Area G1A of the District, as described in Section IV.E of the Service and Assessment Plan.

**“Improvement Area G1A Local Projects”** means, collectively, (i) the pro rata portion of the Zone G Improvements allocable to Improvement Area G1A and (ii) the Improvement Area G1A Local Improvements.

**“Improvement Area G1A Local Projects Account”** means the Account of such name established pursuant to Section 6.1 of the Indenture.

**“Improvement Area G1B”** means a portion of the property within the District, as further depicted and identified in Exhibits A-5 and K-3 in the Service and Assessment Plan.

**“Mustang SUD”** means Mustang Special Utility District.

**“Plans”** means the plans, specifications, schedules and related Construction Contracts for the Improvement Area G1A Local Projects approved pursuant to the applicable standards, regulations, procedures, policies and directives of the County, the City, Mustang SUD, Smiley Road WCID No. 2, TCEQ, and any other applicable governmental entity.

**“Project Fund”** means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other

funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

“**Service and Assessment Plan**” means the Green Meadows Public Improvement District Service and Assessment Plan adopted on March 11, 2025 by the Commissioners Court, prepared pursuant to the Act, as amended and updated from time to time.

“**Smiley Road WCID No. 2**” means the Smiley Road Water Control and Improvement District No. 2, and any district created from the division of Smiley Road WCID No. 2.

“**TCEQ**” means the Texas Commission on Environmental Quality.

“**Zone G**” means the area depicted on Exhibit A-3, and which receives a special benefit from the Zone G Improvements.

“**Zone G Improvements**” means the Authorized Improvements that confer a special benefit to the assessed property within Zone G of the District, including both Improvement Area G1A and Improvement Area G1B as well as additional property to be developed in the future within Zone G, as further described in Section IV.B of the Service and Assessment Plan.

## **ARTICLE II RECITALS**

### Section 2.01. The District and the Improvement Area G1A Local Projects.

(a) The County has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Improvement Area G1A Local Projects.

(b) The County has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Order and the Indenture, a portion of the proceeds of which shall be used, in part, to finance all or a portion of the Improvement Area G1A Local Projects in accordance with the terms and limitations of the Financing Agreement, this Agreement, and the Service and Assessment Plan.

(c) All Improvement Area G1A Local Projects are eligible to be financed with proceeds of the Bonds to the extent specified in the Indenture and the Service and Assessment Plan.

(d) The proceeds from the issuance and sale of the Bonds concurrently with the closing of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Improvement Area G1A Local Projects for acquisition and acceptance by Mustang SUD and the Smiley Road WCID No. 2, in accordance with the terms and conditions contained in the Financing Agreement, the Interlocal Agreements, and this Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

### **ARTICLE III FUNDING**

#### Section 3.01. Bonds.

(a) The County, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) Subject to the Cost Overrun provisions set forth in Section 4.03 of this Agreement, proceeds of the Bonds will be used to finance all or a portion of the Actual Costs of the Improvement Area G1A Local Projects as provided for in the Service and Assessment Plan, as it may be updated or amended. The payment of costs from the proceeds of the Bonds for such Improvement Area G1A Local Projects shall be made from the Improvement Area G1A Local Projects Account of the Project Fund established under the Indenture and as provided under the Indenture.

(c) The County's obligation with respect to the payment of the Improvement Area G1A Local Projects shall be limited to the lesser of the Actual Costs of the Improvement Area G1A Local Projects, and the Budgeted Costs and shall be payable solely from amounts on deposit for the payment of such costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns, Actual Costs and all expenses related to the Improvement Area G1A Local Projects, qualified, however, by the distribution of Cost Underruns (as defined in Section 4.03 hereof) monies, as detailed in Section 4.03.

(d) The County shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Actual Costs of the Improvement Area G1A Local Projects shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Improvement Area G1A Local Projects required by this Agreement or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

(f) The Developer acknowledges that some funds may not be immediately available for reimbursement for Actual Costs of the Improvement Area G1A Local Projects submitted and approved with an approved Certification for Payment. Both Parties acknowledge that the

availability of funds in the Project Fund does not relieve the Developer from its responsibility to construct or ensure the construction of the Improvement Area G1A Local Projects in accordance with the Service and Assessment Plan, and this Agreement.

Section 3.02. Disbursements and Transfers at Bond Closing. The County and the Developer agree that from the proceeds of the Bonds and upon the presentation of evidence satisfactory to the Administrator, the County will cause the Trustee to pay at closing of the Bonds from the Costs of Issuance Account of the Project Fund and/or the Improvement Area G1A Local Projects Account of the Project Fund, an amount not to exceed the amount set forth in the Indenture to the persons entitled to the payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the District as of the delivery of the Bonds, as described in the Service and Assessment Plan, as it may be updated and amended.

Section 3.03 Accounts. All disbursements from the Improvement Area G1A Local Projects Account of the Project Fund shall be made by the County in accordance with provisions of the Service and Assessment Plan, this Agreement, and the Indenture.

#### **ARTICLE IV**

### **DEDICATION OF LAND AND CONSTRUCTION OF IMPROVEMENT AREA G1A LOCAL PROJECTS**

#### **Section 4.01. Duty of Developer to Construct.**

(a) All Improvement Area G1A Local Projects shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement, and the Financing Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Improvement Area G1A Local Projects in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Improvement Area G1A Local Projects to be acquired and accepted by Mustang SUD or the Smiley Road WCID No. 2 from the Developer as provided in this Agreement, the Financing Agreement, and the Interlocal Agreements.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Improvement Area G1A Local Project and, upon completion, inspection, and acceptance, convey each such Improvement Area G1A Local Project to Mustang SUD or the Smiley Road WCID No. 2 in accordance with the terms hereof, even if there are insufficient funds in the Project Fund to pay the Actual Costs thereof.

Section 4.02. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the County with respect to the Improvement Area G1A Local Projects.

Section 4.03. Remaining Funds After Completion of an Improvement Area G1A Local Project. Upon the Final Completion of an Improvement Area G1A Local Project (or its completed segment or phase thereof) and payment of all outstanding invoices for such Improvement Area G1A Local Project (or its completed segment or phase thereof), if the Actual Cost of such Improvement Area G1A Local Project is less than the Budgeted Cost (a “Cost Underrun”), any remaining Budgeted Cost allocated to such Improvement Area G1A Local Project may be made available to pay Cost Overruns on any other Improvement Area G1A Local Project (or its completed segment or phase thereof) with the approval of the County Representative and provided that all Improvement Area G1A Local Projects as set forth in the Service and Assessment Plan are undertaken at least in part. The elimination of a category of Improvement Area G1A Local Projects in the Service and Assessment Plan will require an amendment to the Service and Assessment Plan. Prior to completion of all of the Improvement Area G1A Local Projects within an improvement category, as listed in the Service and Assessment Plan, ten percent (10%) of funds allocated to an improvement category may be used as Cost Underruns and applied to another improvement category of Improvement Area G1A Local Projects, as approved by the County. Upon completion of the Improvement Area G1A Local Projects, if there are funds remaining allocated to any improvement categories, those funds can then be used to reimburse the Developer for qualifying costs of the Improvement Area G1A Local Projects that have not been previously paid, as approved by the County and in accordance with the provisions of the Indenture. Such adjustments of improvement category costs due to Cost Underruns and Cost Overruns shall be reallocated on an annual basis when the County approves its Annual Service Plan Update.

Section 4.04. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “Change Orders”) required for the construction of the Improvement Area G1A Local Projects. Developer or its contractors may approve and implement any Change Orders, even if such Change Order would increase the Actual Cost of an Improvement Area G1A Local Project, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such Change Orders except to the extent amounts are available pursuant to Section 4.03. If any Change Order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the County for review and approval by the County’s engineer and the Commissioners Court prior to execution of the Change Order. The County’s engineer and the Commissioners Court shall make best efforts to approve a revision as soon as reasonably practicable, but not more than thirty (30) calendar days after a written request for approval.

**ARTICLE V**  
**ACQUISITION, CONSTRUCTION, AND PAYMENT**

Section 5.01. Closing Disbursement Request. In order to receive the disbursement from the Costs of Issuance Account of the Project Fund or the Improvement Area G1A Local Projects Account of the Project Fund at closing of the Bonds related to costs of issuance of the Bonds or costs incurred in the creation of the District, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise acceptable and agreed to by the County, to be delivered to the County no less than five (5) business days prior to the scheduled closing date for the Bonds for payment in accordance with the provisions of the Indenture. Upon approval by the County, the County shall submit a Closing Disbursement Request to the Trustee for disbursement to be made from the Costs of Issuance Account of the Project Fund or the Improvement Area G1A Local Projects Account of the Project Fund, as applicable.

Section 5.02. Certification for Payment for an Improvement Area G1A Local Project.

(a) No payment hereunder shall be made from the Improvement Area G1A Local Projects Account of the Project Fund (and no payment hereunder shall be made from any other account under the Project Fund) to the Developer for work on an Improvement Area G1A Local Project until a monthly Certification for Payment is received from the Developer for work with respect to an Improvement Area G1A Local Project (or its completed segment or phase thereof). Upon receipt of a Certification for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation executed by the County) from the Developer, the Inspector shall conduct a review in order to confirm that such request is complete, that the work with respect to such Improvement Area G1A Local Project identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, and to verify and approve the Actual Cost of such work specified in such Certification for Payment (collectively, the “Developer Compliance Requirements”), and shall promptly forward the request to the County Representative. The approval of the Certification for Payment by the Inspector shall constitute a representation by the Inspector to the County and the Trustee that the Developer Compliance Requirements have been satisfied with respect to the Improvement Area G1A Local Projects identified therein; provided, however, that the approval of the Certification for Payment shall not have the effect of estopping or preventing the County from asserting claims under this Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in an Improvement Area G1A Local Project (or its completed segment). The Inspector shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the Inspector in conducting each such review and to provide the Inspector with such additional information and documentation as is reasonably necessary for the Inspector to conclude each such review.

(b) Within ten (10) business days of receipt of any Certification for Payment, the Inspector shall either (i) approve and execute the Certification for Payment and forward the same to the County Representative for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the Inspector disapproves the Certification for Payment, give written notification to the Developer of the Inspector's disapproval, in whole or in part, of such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the Inspector shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the County Representative for approval in accordance with Section 5.03 hereof and delivery to the Trustee for payment to the Developer in accordance with Section 5.02(d) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial denial.

(c) If the Inspector fails to act with respect to a Certification for Payment within the time period therein provided, the Developer shall submit the Certification for Payment directly to the County Representative for approval. In such event, within five (5) business days of receipt of any Certification for Payment, the County Representative shall approve or deny the Certification for Payment and provide notice to the Administrator and the Developer. Upon approval of a Certification for Payment, the approval shall be forwarded to the Trustee for payment, and delivery to the Developer in accordance with Section 5.03 hereof. The approval of the Certification for Payment by the County Representative shall constitute a representation by the County Representative to the Trustee of the Developer's compliance therein. Pursuant to the terms of Section 5.03 and the Indenture, the Trustee shall make a payment to the Developer, or pursuant to the Developer's directions, of an approved Certification for Payment.

(d) If the County requires additional documentation, timely disapproves or questions the correctness or authenticity of the Certification for Payment, the County shall deliver a detailed notice to the Developer within ten (10) business days of receipt thereof, then payment with respect to disputed portion(s) of the Certification for Payment shall not be made until the Developer and the County have jointly settled such dispute or additional information has been provided to the County's reasonable satisfaction. The denial may be appealed to the Commissioners Court by the Developer in writing within thirty (30) days of being denied by the County Representative. Denial of the Certification for Payment by the Commissioners Court shall be attempted to be resolved by half-day mediation between the Parties in the event an agreement is not otherwise reached by the Parties, with the mediator's fee being paid by Developer. The portion of the Certification for Payment in dispute shall not be forwarded to the Trustee for payment until the dispute is resolved by the County and the Developer.

(e) The Developer shall deliver the approved or partially approved Certification for Payment to the Trustee for payment and the Trustee shall make such payment from the



Improvement Area G1A Local Projects Account of the Project Fund in accordance with Section 5.03 below.

Section 5.03. Payment for an Improvement Area G1A Local Project.

(a) Upon receipt of a reviewed and approved Certification for Payment, the Trustee shall make payment for the Actual Costs of the Improvement Area G1A Local Projects from the Improvement Area G1A Local Projects Account of the Project Fund. Such payments shall be as further designated in the Certification for Payment pursuant to the terms of the Certification for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular Improvement Area G1A Local Project (or its completed segment), unless a Cost Overrun amount has been approved for a particular Improvement Area G1A Local Project. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, the Trustee shall make payment directly to the person or entity specified by the Developer in an approved Certification for Payment, including: (1) a general contractor or supplier of materials or services or jointly to the Developer (or any permitted assignee of the Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certification for Payment; (2) to the Developer or any assignee of the Developer if an unconditional lien release related to the items referenced in the Certification for Payment is attached to such Certification for Payment; and (3) to the Developer, or to the third party contractor directly, at Developer's request as specified in the Certification for Payment, in the event the Developer provides a general contractor's or suppliers of materials unconditional lien release for a portion of the work covered by a Developer or any assignee of the Developer to the extent of such lien release. Neither the Trustee, nor the County, Commissioners Court, County Administrator, or County Representative shall have any liability for relying on the accuracy of the payee information in any Certification for Payment as presented by the Developer or its assignees.

(d) Withholding Payments. Nothing in this Agreement shall be deemed to prohibit the Developer or the County from contesting in good faith the validity or amount of any mechanic's or materialman's lien and/or judgment nor limit the remedies available to the Developer or the County with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Improvement Area G1A Local Project to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Improvement Area G1A Local Project is contested, the Developer shall post or cause delivery of a surety bond in the amount

determined by the County or County may decline to approve the Improvement Area G1A Local Projects until such mechanics or materialman's lien and/or judgment is satisfied.

## **ARTICLE VI OWNERSHIP AND TRANSFER OF IMPROVEMENT AREA G1A LOCAL PROJECTS**

Section 6.01. Improvement Area G1A Local Projects to be Owned by Mustang SUD or the Smiley Road WCID No. 2– Title Evidence. The Developer shall furnish to the County and/or Mustang SUD and/or the Smiley Road WCID No. 2, as applicable, a preliminary title report for land with respect to an Improvement Area G1A Local Project to be acquired and accepted by the Smiley Road WCID No. 2 or Mustang SUD from the Developer and not previously dedicated or otherwise conveyed to the Smiley Road WCID No. 2 or Mustang SUD, for review and approval at least thirty (30) calendar days prior to the transfer of title of an Improvement Area G1A Local Project to the Smiley Road WCID No. 2 or Mustang SUD. The County, Mustang SUD, or the Smiley Road WCID No. 2, as applicable, shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the County, Mustang SUD and/or Smiley Road WCID No. 2, could materially affect Mustang SUD or the Smiley Road WCID No. 2's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the County and/or Mustang SUD and/or Smiley Road WCID No. 2 does not approve the preliminary title report, Mustang SUD or the Smiley Road WCID No. 2, as applicable, shall not be obligated to accept title to the Improvement Area G1A Local Project until the Developer has cured such objections to title to the satisfaction of the County and/or Mustang SUD or Smiley Road WCID No. 2.

Section 6.02. Improvement Area G1A Local Projects Constructed on County Land or Developer Land. If an Improvement Area G1A Local Project is on land owned by the County, the County hereby grants to the Developer, where applicable, a temporary easement to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Improvement Area G1A Local Project. The provisions for inspection and acceptance of such Improvement Area G1A Local Project otherwise provided herein shall apply. If the Improvement Area G1A Local Project is on land owned by the Developer, the Developer hereby grants to the County and Mustang SUD or Smiley Road WCID No. 2 an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Improvement Area G1A Local Project. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the County and/or Mustang SUD or Smiley Road WCID No. 2 title to property and/or easements related to the Improvement Area G1A Local Project as required by the Interlocal Agreements, or as should in the County's, Mustang SUD's, or Smiley Road WCID No. 2's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Improvement Area G1A Local Project. The provisions for

inspection and acceptance of such Improvement Area G1A Local Project otherwise provided herein shall apply.

## **ARTICLE VII REPRESENTATIONS, WARRANTIES AND COVENANTS**

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the County as follows:

(a) Organization. Grand Oaks Residential Development, LLC is a Texas limited liability company is duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Developer Authority; Representations. The Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer. The Developer has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement. The person executing this Agreement on behalf of the Developer has been duly authorized to do so. This Agreement is binding upon the Developer in accordance with its terms. The execution of this Agreement and the performance by the Developer of its obligations under this Agreement do not constitute a breach or event of default by the Developer under any other agreement, instrument, or order to which the Developer is a party or by which the Developer is bound.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands of the Developer in the District or the Improvement Area G1A Local Projects in violation of any law, procedure, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Improvement Area G1A Local Projects.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Improvement Area G1A Local Projects Account of Project Fund (or from any other Account of the Project Fund) for the acquisition, construction or installation of any improvements that are not part of the Improvement Area G1A Local Projects, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

(f) Financial Records. For a period of two years after completion of the Improvement Area G1A Local Projects, the Developer covenants to maintain proper books of record and account for the construction of the Improvement Area G1A Local Projects and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles and shall be available for inspection by the County or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the County, the City, Mustang SUD, Smiley Road WCID No. 2, TCEQ and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Improvement Area G1A Local Projects have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, and this Agreement. Developer shall provide as-built plans for all Improvement Area G1A Local Projects to the County.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the Inspector and the County Representative related to the status of construction of Improvement Area G1A Local Projects within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or County Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement executed by the Developer, the Administrator and Willdan Financial Services, as dissemination agent, in connection with the Bonds.

(j) Tax Certificate. The County will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the “Tax Certificate”) containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148.

The Developer covenants to provide, or cause to be provided, such facts and estimates as the County reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Developer further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Bonds and will be, to the best of the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of that date, and (ii) the Developer will make reasonable inquires to ensure such truth, correctness and

completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the proceeds of the Bonds (including, but not limited to, the use of the Improvement Area G1A Local Projects) that would cause any of the covenants or agreements of the County contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) County Authority; Representations. The County represents and warrants to the Developer that (1) the County has the authority to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement on behalf of the County has been duly authorized to do so; (3) this Agreement is binding upon the County in accordance with its terms; and (4) the execution of this Agreement and the performance by the County of its obligations under this Agreement do not constitute a breach or event of default by the County under any other agreement, instrument, or order to which the County is a party or by which the County is bound.

Section 7.02. Indemnification and Hold Harmless.

(a) THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE INSPECTOR, THE COUNTY, EMPLOYEES, OFFICIALS, OFFICERS, REPRESENTATIVES AND AGENTS OF THE COUNTY, AND EACH OF THEM (EACH AN “INDEMNIFIED PARTY”), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER, (II) THE NEGLIGENT DESIGN, ENGINEERING AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE IMPROVEMENT AREA G1A LOCAL PROJECTS CONSTRUCTED BY THE DEVELOPER HEREUNDER, (III) THE DEVELOPER’S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE IMPROVEMENT AREA G1A LOCAL PROJECTS CONSTRUCTED BY DEVELOPER, OR (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT SUCH PROJECTS, OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER’S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE IMPROVEMENT AREA G1A LOCAL PROJECTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE IMPROVEMENT AREA G1A LOCAL PROJECTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY. NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT

JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR NEGLIGENCE OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND COUNTY AGAINST ALL SUCH CLAIMS, AND COUNTY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

(b) IN ITS REASONABLE DISCRETION, COUNTY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY COUNTY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN COUNTY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND DEVELOPER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

(c) THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

(d) THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by County; Changes to Indenture. The County agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Improvement Area G1A Local Projects, the County agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Improvement Area G1A Local Projects is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer are or may be substantially increased or otherwise

adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied within Improvement Area G1A of the District as of the effective date of this Agreement.

## **ARTICLE VIII TERMINATION**

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the County and the Developer, in which event the County may either execute contracts for or perform any remaining work related to the Improvement Area G1A Local Projects not accepted by Mustang SUD or the Smiley Road WCID No. 2, or other appropriate entity and use all or any portion of funds on deposit in the Improvement Area G1A Local Projects Account of the Project Fund or other amounts transferred to the Improvement Area G1A Local Projects Account of the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of an Improvement Area G1A Local Project hereunder for any remaining work, except as otherwise may be provided in such written consent.

Section 8.02. County's Election for Cause.

(a) The County, upon notice to Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the County shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the Inspector and other appropriate County staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the Improvement Area G1A Local Projects. Such options may include, but not be limited to, the termination of this Agreement by the County. If the County elects to terminate this Agreement, the County shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the County to receive such notice) of the grounds for such termination and allow the Developer a minimum of forty-five (45) days to eliminate or to mitigate to the satisfaction of the County the grounds for such termination. Such period may be extended, at the sole discretion of the County, if the Developer, to the reasonable satisfaction of the County, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the County, the Developer has not eliminated

or completely mitigated such grounds to the satisfaction of the County, the County may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work approved by the County and accepted by the Smiley Road WCID No. 2 or Mustang SUD, in accordance with the Interlocal Agreements, related to an Improvement Area G1A Local Project only as provided for under the terms of the Indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the County to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the County may in its discretion cause the Trustee to cease making payments for the Actual Costs of Improvement Area G1A Local Projects, provided that the Developer shall receive payment of the Actual Costs of any Improvement Area G1A Local Projects that were approved by the County and accepted by Mustang SUD or the Smiley Road WCID No. 2 at the time of the occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement, and the Indenture.

(c) If this Agreement is terminated by the County for cause, the County may either execute contracts for or perform any remaining work related to the Improvement Area G1A Local Projects not approved by the County and accepted by Mustang SUD or the Smiley Road WCID No. 2 and use all or any portion of the funds on deposit in the Improvement Area G1A Local Projects Account of the Project Fund or other amounts transferred to the Improvement Area G1A Local Projects Account of the Project Fund and the Developer shall have no claim or right to any further payments for the Improvement Area G1A Local Projects hereunder, except as otherwise may be provided upon the mutual written consent of the County and the Developer or as provided for in the Indenture. The County shall have no obligation to perform any work related to an Improvement Area G1A Local Project or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the County or the Developer upon the redemption or defeasance of all outstanding Bonds issued under the Indenture.

Section 8.04. Construction of the Improvement Area G1A Local Projects Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Improvement Area G1A Local Projects in accordance with this Agreement.

Section 8.05. 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 fifteen (15) business days after the occurrence of a Force Majeure, the Party claiming the right to temporarily suspend its performance, shall give notice to all the Parties, including a detailed explanation of the Force Majeure and a description of the action that will be taken to remedy the Force Majeure and resume full performance at the earliest possible time.

## **ARTICLE IX MISCELLANEOUS**

Section 9.01. Limited Liability of County. The Developer agrees that any and all obligations of the County arising out of or related to this Agreement are special obligations of the County, and the County's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Improvement Area G1A Local Projects Account of the Project Fund and from no other source. Neither the County, the Inspector, County Representative nor any other County employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The Inspector, County Representative or a finance officer of the County shall have the right, during normal business hours and upon the giving of three business days' prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Improvement Area G1A Local Projects and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the County:           Attn: Hon. Andy Eads  
                                  County Judge  
                                  1 Courthouse Drive  
                                  Denton, TX 76208

With a copy to:           Attn: Robert Dransfield  
Norton Rose Fulbright US LLP  
220 Ross Avenue, Suite 3600  
Dallas, TX 75234

To the Developer:       Attn: Beau Brooks  
Grand Oaks Residential Development, LLC  
15455 Dallas Pkwy, Suite 1000  
Addison, Texas 75001

With a copy to:           Attn: Robert Garcia  
Grand Homes Organization II, LLC  
15455 Dallas Pkwy, Suite 1000  
Addison, Texas 75001

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The County shall advise the Developer of the name and address of any Inspector who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the County pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the County. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the County Administrator, except pursuant to a collateral assignment to any person or entity providing financing to the Developer for the Improvement Area G1A Local Project, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Improvement Area G1A Local Project. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the County being an “obligated person” within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the County. In connection with any consent of the County, the County may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee’s express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the County deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned. The County may assign by a separate writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the County's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, procedures or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Agreement shall be binding.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the County and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the County or the Developer shall be for the sole and exclusive benefit of the County and the Developer.

Section 9.10. Amendment. Except as otherwise provided in Section 9.05, upon agreement by the parties, this Agreement may be amended, from time to time in a manner consistent with the Act, the Indenture, and the Bond Order by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13 Term. The term of this Agreement, other than the provisions contained in Section 7.02, which shall survive the termination of this Agreement, shall be thirty (30) years or upon redemption or defeasance in full of the Bonds issued under the Indenture. If the Developer defaults under this Agreement, this Agreement shall not terminate with respect to the costs of the Improvement Area G1A Local Projects that have been approved by the County pursuant to a Certification for Payment prior to the date of default.

Section 9.14 No Waiver of Powers or Immunity. The County does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.15. Statutory Verifications. The Developer makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of 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 Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

*[Execution pages follow.]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of \_\_\_\_\_, 2025.

**DENTON COUNTY**

By: \_\_\_\_\_

Name: Hon. Andy Eads

Title: County Judge

**DEVELOPER:**

**Grand Oaks Residential Development, LLC,**  
a Texas limited liability company

By: \_\_\_\_\_

Name: Stephen H. Brooks II (Beau)

Title: President

**Exhibit A**

**FORM OF CLOSING DISBURSEMENT REQUEST**

The undersigned is an agent for Grand Oaks Residential Development, LLC, a Texas limited liability company (the “Developer”) and requests payment from:

[the Costs of Issuance Account of the Project Fund][the Improvement Area G1A Local Projects Account of the Project Fund] from U.S. Bank Trust Company, National Association (the “Trustee”) in the amount of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) for costs incurred in the establishment, administration, and operation of the Green Meadows Public Improvement District (the “District”), as follows:

<b>Closing Costs Description</b>	<b>Cost</b>	<b>PID Allocated Cost</b>
<b>TOTAL</b>		

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Green Meadows Public Improvement District Improvement Area G1A Local Projects Construction, Funding, and Acquisition Agreement between the Developer and Denton County, Texas, dated as of March 11, 2025 (the “CFA Agreement”).

In connection to the above referenced payments, the Developer represents and warrants to the County as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the County.
3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with and within the costs as set forth in the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the CFA Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the County in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the County to complete said review.

**Payments requested hereunder shall be made as directed below:**

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment Instructions.

I hereby declare that the above representations and warranties are true and correct.

**DEVELOPER:**

**Grand Oaks Residential Development, LLC,**  
a Texas limited liability company

By: \_\_\_\_\_

Name: Stephen H. Brooks II (Beau)

Title: President



**APPROVAL OF REQUEST**

The County is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the County approves the Closing Disbursement Request and authorizes and directs payment of such amounts by Trustee from the Costs of Issuance Account of the Project Fund and/ or the Improvement Area G1A Local Projects Account of the Project Fund, as applicable, upon delivery of the Bonds. The County's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the County from asserting claims under the CFA Agreement, the Indenture, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in an Improvement Area G1A Local Project (as defined in the Indenture).

**DENTON COUNTY, TEXAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit B**

**CERTIFICATION FOR PAYMENT FORM – IMPROVEMENT AREA G1A LOCAL PROJECTS**

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Green Meadows Public Improvement District Improvement Area G1A Local Projects Construction, Funding, and Acquisition Agreement between the Developer and Denton County, Texas, dated as of March 11, 2025 (the “CFA Agreement”).

The undersigned is an agent for Grand Oaks Residential Development, LLC, a Texas limited liability company (the “Developer”) and requests payment to the Developer (or to the person designated by the Developer) from the Improvement Area G1A Local Projects Account of the Project Fund held by U.S. Bank Trust Company, National Association, (the “Trustee”), in the amount of \_\_\_\_\_ (\$ \_\_\_\_\_) for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Improvement Area G1A Local Projects providing a special benefit to property within the Green Meadows Public Improvement District.

In connection with the above referenced payment, the Developer represents and warrants to the County as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certification for Payment Form on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The itemized payment requested for the below referenced Improvement Area G1A Local Projects has not been the subject of any prior payment request submitted for the same work to the County or, if previously requested, no disbursement was made with respect thereto.
3. The itemized amounts listed for the Improvement Area G1A Local Projects below is a true and accurate representation of the Actual Costs of the Improvement Area G1A Local Projects associated with the creation, acquisition, or construction of said Improvement Area G1A Local Projects and such costs (i) are in compliance with the CFA Agreement, and (ii) are consistent with and within the cost identified for such Improvement Area G1A Local Projects as set forth in the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the CFA Agreement, the Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture and the CFA Agreement for the payment hereby requested have been satisfied.
6. The work with respect to Improvement Area G1A Local Projects referenced below (or its completed segment) has been completed, and the County has inspected such Improvement Area G1A Local Projects (or its completed segment).

7. The Developer agrees to cooperate with the County in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the County to complete said review.

**Payments requested are as follows:**

Payee / Description of Improvement Area G1A Local Projects	Total Cost of Improvement Area G1A Local Projects	Budgeted Cost of Improvement Area G1A Local Projects	Amount requested to be paid from the Improvement Area G1A Local Projects Account of the Project Fund	Total amount disbursed from the Improvement Area G1A Local Projects Account of the Project Fund upon payment of sums under this Certification for Payment

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are **“bills paid” affidavits and supporting documentation** in the standard form for County construction projects.

Pursuant to the CFA Agreement, after receiving this payment request, the County has inspected the Improvement Area G1A Local Projects (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

**Payments requested hereunder shall be made as directed below:**

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment instructions.

I hereby declare that the above representations and warranties are true and correct.

**DEVELOPER:**

**Grand Oaks Residential Development, LLC,**  
a Texas limited liability company

By: \_\_\_\_\_

Name: Stephen H. Brooks II (Beau)

Title: President

**APPROVAL OF REQUEST**

The County is in receipt of the attached Certification for Payment, acknowledges the Certification for Payment, and finds the Certification for Payment to be in order. After reviewing the Certification for Payment, the County approves the Certification for Payment and authorizes and directs payment by Trustee from the Improvement Area G1A Local Projects Account of the Project Fund to the Developer or other person designated by the Developer as listed and directed on such Certification for Payment. The County's approval of the Certification for Payment shall not have the effect of estopping or preventing the County from asserting claims under the CFA Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Improvement Area G1A Local Projects.

**DENTON COUNTY, TEXAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**DENTON COUNTY, TEXAS • SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(GREEN MEADOWS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)**



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