

NEW ISSUE

NOT RATED

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

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



\$10,436,000*

CITY OF BOYD, TEXAS,

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #2 PROJECT
AND IMPROVEMENT AREA #3 PROJECT)

Sale Date: April 15, 2025

Dated Date: Delivery Date (defined below)

Due: September 15, as shown on the inside cover

The City of Boyd, Texas, Special Assessment Revenue Bonds, Series 2025 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2 Project and Improvement Area #3 Project) (the “Bonds”), are being issued by the City of Boyd, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover hereof, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 15 and September 15, commencing September 15, 2025, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry-only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by 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 by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance expected to be adopted by the City Council of the City (the “City Council”), and an Indenture of Trust, dated as of May 1, 2025 (the “Indenture”), expected to be entered into by and between the City and the Trustee. **Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.**

Proceeds of the Bonds will be used for the purposes of (i) paying a portion of the Actual Costs of the Improvement Areas #2-3 Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period acquisition and construction of the Improvement Areas #2-3 Projects, and other costs related to the issuance of the Bonds. See “THE IMPROVEMENT AREAS #2-3 PROJECTS” and “APPENDIX B – Form of Indenture.”

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by a first and prior lien on the Trust Estate, consisting primarily of the Special Assessments levied against Assessed Property in Improvement Area #2 and expected to be levied in Improvement Area #3 of the District in accordance with the Assessment Ordinances and the Service and Assessment Plan, and other assets comprising the Trust Estate, all to the extent and upon the conditions described in the Indenture. The Bonds are not payable from funds raised or to be raised from taxation. See “SECURITY FOR THE BONDS.” The Bonds are subject to redemption at the times, in the amounts, and at the redemption price more fully described herein under the subcaption “DESCRIPTION OF THE BONDS – Redemption Provisions.”

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

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

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by FMSbonds, Inc. (the “Underwriter”), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D – Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by its counsel, Taylor Olson Adkins Sralla & Elam, LLP, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, and for the Developer by its counsel, Coats Rose, P.C. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about May 13, 2025 (the “Delivery Date”).



* Preliminary, subject to change.

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

CUSIP Prefix: ^(a)

\$10,436,000*

CITY OF BOYD, TEXAS,

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #2 PROJECT AND IMPROVEMENT AREA #3 PROJECT)

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

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

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

* Preliminary, subject to change.

CITY OF BOYD, TEXAS,

CITY COUNCIL

<u>Name</u>	<u>Position</u>	Term Expires <u>(May)</u>
Rodney Holmes	Mayor	2025
<u>Ward 1</u>		
Randy Adams	Councilmember, Place 1, Mayor-Pro-Tem	2025
Eric Frisinger	Councilmember, Place 2	2026
<u>Ward 2</u>		
Martin Cole	Councilmember, Place 1	2025
Jimmy Young	Councilmember, Place 2	2026
<u>Ward 3</u>		
Aaron DePino	Councilmember, Place 1	2025
Adrian Zgoda	Councilmember, Place 2	2026

CITY MANAGER
William D. Taylor

FINANCE DIRECTOR
Anastasia Whigham

**ASSISTANT CITY MANAGER/
CITY SECRETARY**
Daniel Bourgeois

CITY ATTORNEY
Taylor, Olson, Adkins, Sralla & Elam, LLP

ADMINISTRATOR
P3Works, LLC

FINANCIAL ADVISOR TO THE CITY
Hilltop Securities Inc.

BOND COUNSEL
Norton Rose Fulbright US LLP

UNDERWRITER'S COUNSEL
Orrick, Herrington & Sutcliffe LLP

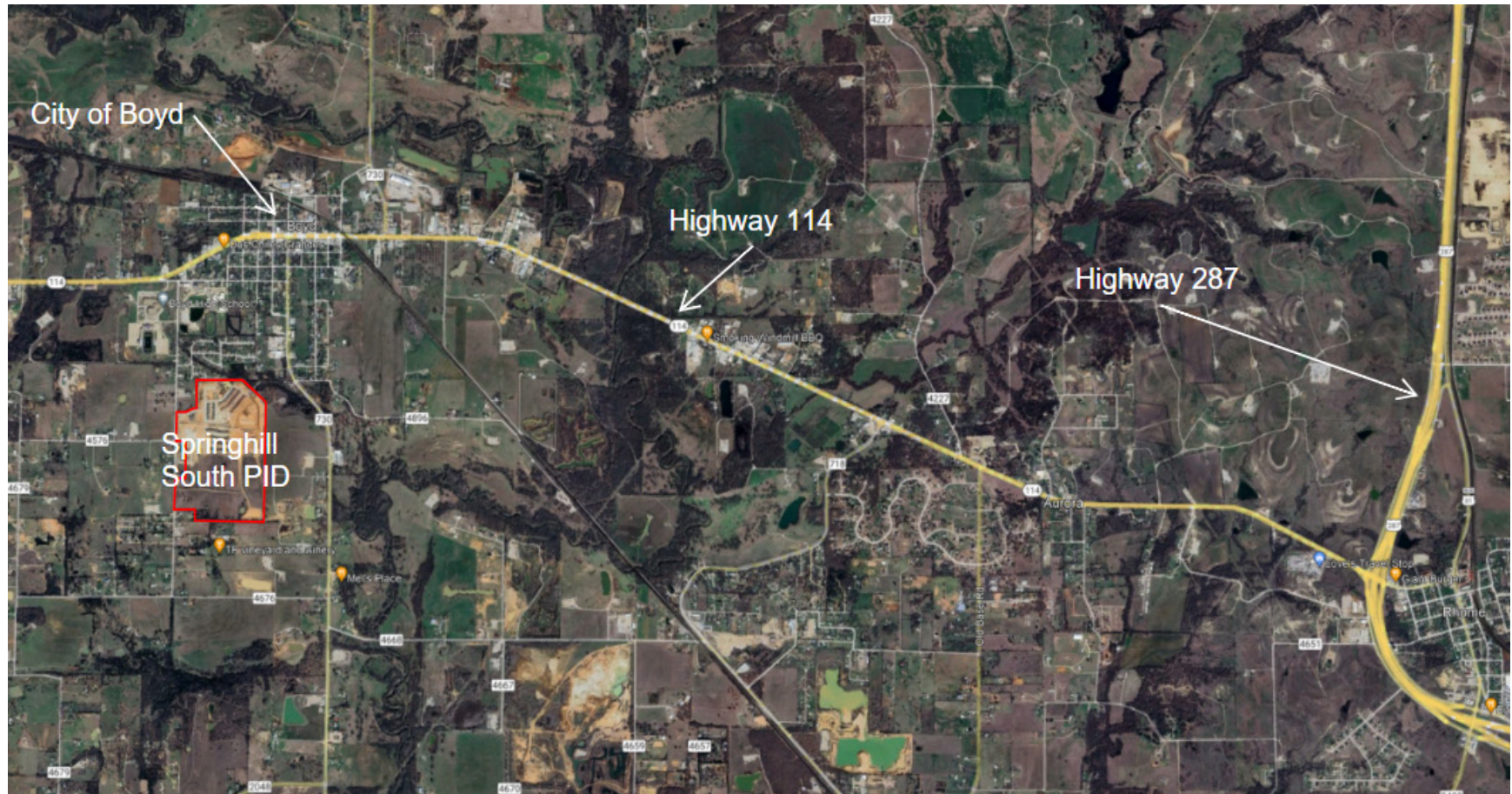
For additional information regarding the City, please contact:

Anastasia Whigham
Finance Director
City of Boyd, Texas
731 E. Rock Island
Boyd, Texas 76023
(940) 433-5166

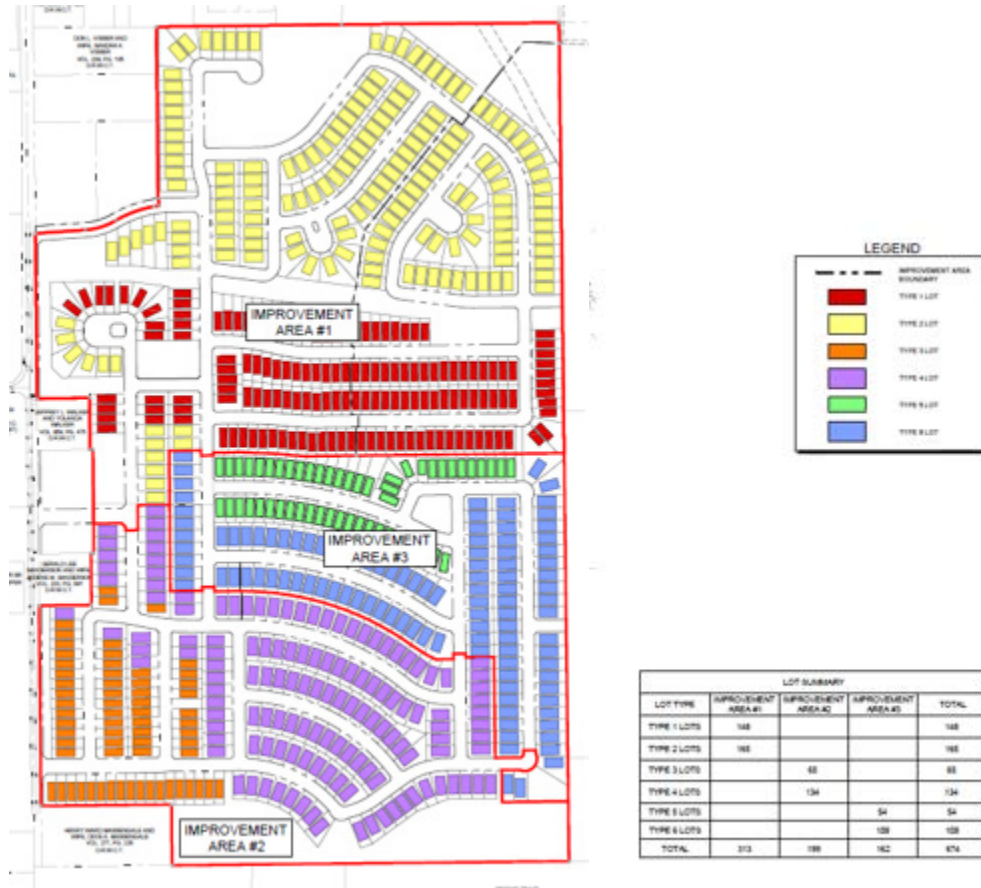
Nick Bulaich
Managing Director
Hilltop Securities Inc.
777 Main Street, Suite 1525
Fort Worth, Texas 76102
(817) 332-9710

[illegible]

AREA LOCATION MAP OF THE DISTRICT



**MAP SHOWING LOT CLASSIFICATIONS FOR THE DISTRICT
AND BOUNDARIES OF THE DISTRICT AND THE IMPROVEMENT AREAS**



USE OF LIMITED OFFERING MEMORANDUM

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

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

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

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

NONE OF THE CITY, THE UNDERWRITER, OR THE DEVELOPER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

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

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

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

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

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TABLE OF CONTENTS

INTRODUCTION	1	Prepayment of Assessments	35
PLAN OF FINANCE	2	Priority of Lien	35
Overview	2	Foreclosure Proceedings.....	36
Development Plan	2	THE CITY	36
Developer as Homebuilder	3	Background	36
The Bonds.....	3	City Government	37
LIMITATIONS APPLICABLE TO INITIAL		Water and Wastewater.....	37
PURCHASERS	4	THE DISTRICT	37
DESCRIPTION OF THE BONDS	5	General	37
General Description.....	5	Powers and Authority of the City	38
Redemption Provisions.....	5	THE IMPROVEMENT AREAS #2-3 PROJECTS	39
BOOK-ENTRY-ONLY SYSTEM	7	General	39
SECURITY FOR THE BONDS.....	9	Ownership and Maintenance of	
General	9	Improvement Areas #2-3 Projects.....	41
Pledged Revenues.....	10	THE PID ADMINISTRATOR	48
Collection and Enforcement of		BONDHOLDERS' RISKS	49
Assessments	12	Deemed Representations and	
Amount of Special Assessments May be		Acknowledgment by Initial	
Reduced by TIRZ No. 2 Annual		Purchasers	49
Credit Amount.....	13	General Factors relating to Payment of	
Unconditional Levy of Assessments	14	the Bonds.....	50
Perfected Security Interest.....	15	Assessment Limitations.....	50
Pledged Revenue Fund.....	15	Direct and Overlapping Indebtedness,	
Bond Fund.....	16	Assessments and Taxes	51
Project Fund	16	Depletion of Accounts of the Reserve	
Reserve Account of the Reserve Fund.....	17	Fund; No Prefunding of Additional	
Additional Interest Reserve Account of		Interest Reserve Account.....	51
the Reserve Fund.....	18	Lien Foreclosure and Bankruptcy.....	51
Administrative Fund.....	19	Bondholders' Remedies and	
Bonds Deemed Paid	19	Bankruptcy	52
Events of Default.....	20	Judicial Foreclosures	53
Remedies in Event of Default.....	21	No Acceleration.....	53
Restriction on Owner's Actions	21	Bankruptcy Limitation to Bondholders'	
Application of Revenues and Other		Rights	53
Moneys After Event of Default	22	State Law Requiring Notice of	
Investment of Funds	22	Assessment; Failure of Developer	
Against Encumbrances	23	to Deliver Required Notice	
Additional Obligations or Other Liens	23	Pursuant to Texas Property Code	54
SOURCES AND USES OF FUNDS *	24	Potential Future Changes in State Law	
DEBT SERVICE REQUIREMENTS *	24	Regarding Public Improvement	
OVERLAPPING TAXES AND DEBT.....	25	Districts	54
Overlapping Taxes and Debt	26	Limited Secondary Market for the	
Homeowners' Association Dues	28	Bonds.....	54
ASSESSMENT PROCEDURES.....	28	No Credit Rating	55
General	28	Adverse Developments Affecting the	
Assessment Methodology.....	29	Financial Services Industry	55
Collection and Enforcement of		General Risks of Real Estate Investment	
Assessment Amounts	31	and Development.....	55
Assessment Amounts.....	32	Risks Related to the Current Residential	
		Real Estate Market	55

Risks Related to Recent Increase in Costs of Building Materials and Labor Shortages.....	56	The Developer's Compliance With Prior Undertakings	65
Completion of Homes.....	56	UNDERWRITING	65
Competition	57	REGISTRATION AND QUALIFICATION OF BONDS FOR SALE	65
Hazardous Substances	57	LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS.....	65
Regulation	57	INVESTMENTS	65
Availability of Utilities.....	57	INFORMATION RELATING TO THE TRUSTEE.....	68
Flood Plains.....	58	SOURCES OF INFORMATION	68
Risk from Weather Events.....	58	General	68
Exercise of Third-Party Property Rights	58	Source of Certain Information.....	69
Tax-Exempt Status of the Bonds	58	Experts.....	69
Dependence Upon Developer.....	59	Updating of Limited Offering Memorandum	69
TIRZ Annual Credit Amount and Marketing of the Development.....	59	FORWARD-LOOKING STATEMENTS	69
TAX MATTERS	60	AUTHORIZATION AND APPROVAL.....	70
Tax Exemption	60	APPENDIX A General Information Regarding the City and the Surrounding Area	
Tax Accounting Treatment of Discount and Premium on Certain Bonds.....	61	APPENDIX B Form of Indenture	
State, Local and Foreign Taxes	62	APPENDIX C Form of Service and Assessment Plan	
Changes in Federal and State Tax Law	62	APPENDIX D Form of Opinion of Bond Counsel	
LEGAL MATTERS	62	APPENDIX E-1 Form of Disclosure Agreement of Issuer	
Legal Proceedings	62	APPENDIX E-2 Form of Disclosure Agreement of Developer	
Legal Opinions	62		
Litigation – The City	63		
Litigation – The Developer.....	63		
ENFORCEABILITY OF REMEDIES	63		
NO RATING	64		
CONTINUING DISCLOSURE.....	64		
The City	64		
The City Compliance With Prior Undertakings	64		
The Developer	64		

PRELIMINARY LIMITED OFFERING MEMORANDUM

\$10,436,000*

CITY OF BOYD, TEXAS,

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1

IMPROVEMENT AREA #2 PROJECT AND IMPROVEMENT AREA #3 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Boyd, Texas (the "City"), of its \$10,436,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2 Project and Improvement Area #3 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. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS." THE LIMITATION OF THE INITIAL OFFERING TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE BONDS. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE "BONDHOLDERS' RISKS."

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

The Bonds will be secured by a first and prior lien on and pledge of the Trust Estate, consisting primarily of revenue from Improvement Area #2 Assessments previously levied pursuant to the Improvement Area #2 Assessment Ordinance against the Assessed Property located within Improvement Area #2 of the District and Improvement Area #3 Assessments expected to be levied pursuant to the Improvement Area #3 Assessment Ordinance against the Assessed Property located within Improvement Area #3 of the District, all to the extent and upon the conditions described in the Indenture.

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

* Preliminary, subject to change.

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

PLAN OF FINANCE

Overview

Following receipt of a petition requesting creation of a public improvement district in accordance with the PID Act, the City created the District on March 30, 2019. The District is composed of approximately 151.181 acres within the corporate boundaries of the City. It is located south of State Highway 114 and west of FM 730 off of Cemetery Road. Maps of the District and the surrounding region are included on pages iv – vi.

Development Plan

D.R. Horton – Texas, Ltd., a Texas limited partnership (the “Developer”), purchased the property within the District in May 2021 from cash on hand and is developing such property as a master-planned community to include approximately 674 single-family detached residential lots, an amenity center with a swimming pool, playground, soccer field, and basketball court, and a community walking trail and ponds (collectively, the “Development”). Final single-family lot development is expected to occur in April 2025. See the map and concept plan for the District on page vi. See “THE DEVELOPMENT.”

Improvement Area #1 was the first area of the District to be developed. Improvement Area #1 consists of approximately 77.166 acres and 313 single-family residential lots, comprised of 148 40’ lots and 165 50’ lots. Development of the 187 lots in phase 1 of Improvement Area #1 was completed in October 2022 and development of the 126 lots in phase 2 of Improvement Area #1 was completed in April 2024. All public improvements in Improvement Area #1 and the Major Improvements (defined below) have been accepted by the City.

The Developer began development of Improvement Area #2 in January 2024. Improvement Area #2 consists of approximately 44.868 acres and 199 single-family residential lots, comprised of 65 40’ lots and 134 50’ lots. Development of Improvement Area #2 was completed in March 2025.

Improvement Area #3 is the final development phase of the District. The Developer began development of Improvement Area #3 in July 2024. Improvement Area #3 consists of approximately 29.147 acres and 162 single-family residential lots, comprised of 54 40’ lots and 108 50’ lots. Development of Improvement Area #3 is expected to be completed in April 2025. See “THE IMPROVEMENT AREAS #2-3 PROJECTS,” “THE DEVELOPMENT – Status of Single-Family Lot and Home Development in the District,” and “APPENDIX C – Form of Service and Assessment Plan.”

A portion of the proceeds of the Bonds will be used to pay the Developer for the Actual Costs of the Improvement Areas #2-3 Projects previously incurred by the Developer, consisting of public improvements that benefit only the Assessed Property in Improvement Area #2 (the “Improvement Area #2 Improvements”), public improvements that benefit only the Assessed Property in Improvement Area #3 (the “Improvement Area #3 Improvements”), and Improvement Area #2’s pro rata share and Improvement Area #3’s pro rata share of the costs of public improvements that benefit all assessed property in the entire District (the “Major Improvements”).

The total costs of the Improvement Areas #2-3 Projects are expected to be approximately \$14,154,342. As of March 15, 2025, the Developer has spent approximately \$9,686,667.55 from cash on hand and expects to spend the balance prior to delivery of the Bonds. A portion of such costs in the amount of \$91,000 has been paid to the Developer previously from revenues from the Improvement Area #2 Assessments pursuant to the Improvement Area #2 Reimbursement Agreement (defined herein). A portion of such costs in the approximate amount of \$8,639,346* is expected be paid to the Developer by the City from proceeds of the Bonds. The remainder of such costs in the approximate amount of \$5,423,996* will not be reimbursed by the City. See “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREAS #2-3 PROJECTS,” “THE DEVELOPMENT – Improvement Areas #2-3 Reimbursement Agreements,” and “APPENDIX C – Form of Service and Assessment Plan.”

* Preliminary, subject to change.

On December 7, 2023, the City adopted an ordinance (the “TIRZ No. 2 Ordinance”), creating the Reinvestment Zone Number Two, City of Boyd, Texas (“TIRZ No. 2”), pursuant to Chapter 311 of the Texas Tax Code (the “TIRZ Act”), covering the property within Improvement Area #2 and Improvement Area #3 of the District, and authorizing the use of ad valorem tax increment attributable to the new development and growth in taxable value within TIRZ No. 2 for payment of “Project Costs” (as defined in the TIRZ Act), including costs of the Improvement Areas #2-3 Projects, as provided in the Reinvestment Zone Number Two, City of Boyd, Texas, Final Project and Finance Plan (including any amendments or supplements thereto, the “TIRZ No. 2 Project and Finance Plan”) and the Development Agreement. The City intends to transfer to the Principal and Interest Account of the Bond Fund on a parcel-by-parcel basis TIRZ No. 2 Revenues (defined herein) actually received to be used as a credit against Special Assessments due each year on each related parcel. See “SECURITY FOR THE BONDS – Amount of Special Assessments May be Reduced by TIRZ Annual Credit Amount” and “BONDHOLDERS’ RISKS – TIRZ Annual Credit Amount and Marketing of the Development.”

Developer as Homebuilder

The Developer intends to construct homes on all of the lots in the District and does not expect to contract with any merchant homebuilders.

The Developer has completed home construction in Improvement Area #1 of the District and as of March 15, 2025, had sold 302 of the 313 homes in Improvement Area #1 to homeowners.

The Developer has completed development of all 199 lots in Improvement Area #2. As of March 15, 2025, the Developer had commenced construction of 63 homes in Improvement Area #2 and had 25 of such homes under contract for sale to homeowners.

The Developer expects to complete development of all 162 lots in Improvement Area #3 in April 2025 and expects to begin construction of homes in Improvement Area #3 by August 2025.

The Developer expects that all of the homes (other than two model homes and seven hold lots) in Improvement Area #1 will be sold to homeowners by December 2025, all of the homes in Improvement Area #2 will be sold to homeowners by November 2025 and all of the homes in Improvement Area #3 will be sold to homeowners by December 2027. See “THE DEVELOPMENT – Status of Single-Family Lot and Home Development in the District.”

The Bonds

Proceeds of the Bonds will be used for the purposes of (i) paying a portion of the Actual Costs of the Improvement Areas #2-3 Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Improvement Areas #2-3 Projects, and other costs related to the issuance of the Bonds. See “APPENDIX B – Form of Indenture.”

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of Pledged Revenues derived from Improvement Area #2 Assessments previously levied against the Assessed Property within Improvement Area #2 of the District and Improvement Area #3 Assessments expected to be levied against the Assessed Property within Improvement Area #3 of the District, all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES,” and “APPENDIX B – Form of Indenture.”

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

** Preliminary, subject to change.*

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

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

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

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

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

4. The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Areas #2-3 Projects, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information, and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

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

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

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

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth on the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 15 and September 15, commencing September 15, 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; provided, however, that if the total principal amount of any Outstanding Bond is less than \$100,000, then the authorized denomination of such Bond shall be the amount of such Outstanding Bond (“Authorized Denominations”). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry-only form. See “BOOK-ENTRY-ONLY SYSTEM.”

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Bonds maturing on or after September 15, 20__, before their respective scheduled maturity dates, in whole or in part, on any date on or after September 15, 20__, such redemption date or dates to be fixed by the City, at a redemption price equal to the principal amount to be redeemed, plus accrued and unpaid interest to the date fixed for redemption (the “Redemption Price”).

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

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

<u>\$ Term Bonds Maturing September 15, 20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, 20__	\$
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__ [†]	

\$ Term Bonds Maturing September 15, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 15, 20__	\$
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__ [†]	

[†] Stated maturity.

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

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

The principal amount of Bonds 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 by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory sinking fund redemption.

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

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

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

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an

authorized representative of DTC. One fully registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an

Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

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

SECURITY FOR THE BONDS

General

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

CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE. SEE “APPENDIX B – FORM OF INDENTURE.”

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a first lien upon the Pledged Revenues, consisting primarily of Special Assessments levied against Assessed Property within Improvement Area #2 and expected to be levied against Assessed Property within Improvement Area #3 of the District, and other assets comprising the Trust Estate, all to the extent and upon the conditions described in the Indenture. See “APPENDIX B – Form of Indenture.” Improvement Area #2 of the District contains approximately 44.868 acres and Improvement Area #3 of the District contains approximately 29.147 acres. In accordance with the PID Act, the City (i) caused the preparation of and previously approved a Service and Assessment Plan in connection with the levy of the Improvement Area #2 Assessments in Improvement Area #2 of the District, (ii) caused the preparation of the preliminary amended and restated Service and Assessment Plan in connection with the expected levy of the Improvement Area #3 Assessments in Improvement Area #3 of the District, and (iii) expects to adopt a final amended and restated Service and Assessment Plan in connection with the levy of the Improvement Area #3 Assessments and the authorization of the issuance of the Bonds. The Service and Assessment Plan describes the special benefit received by the property within the District, including Improvement Area #2 and Improvement Area #3, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of the Special 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 of Special Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX C – Form of Service and Assessment Plan.”

In connection with the pricing of the Bonds expected to occur on April 15, 2025, and as provided in the Bond Ordinance, the City expects to approve the amended and restated Service and Assessment Plan, which will reflect the actual interest rate on the Bonds, as well as the additional interest collected pursuant to Section 372.018(a) of the PID Act. See “APPENDIX C – Form of Service and Assessment Plan.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinances, and other provisions of applicable law to finance the Improvement Areas #2-3 Projects by levying Special Assessments upon properties in Improvement Area #2 and Improvement Area #3 of the District benefitted thereby. For a description of the assessment methodology and the amounts of Special Assessments levied in Improvement Area #2 and Improvement Area #3 of the District, see “ASSESSMENT PROCEDURES” and “APPENDIX C – Form of Service and Assessment Plan.”

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

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

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

“Annual Collection Costs” means the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Special Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming the Bonds; (7) investing or depositing Special Assessments and Annual Installments; (8) complying with the Service and Assessment Plan, the PID Act, and the Indenture, with respect to the Bonds, including the City’s continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with the Bonds, including their respective

legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means, with respect to each Assessed Parcel, each annual payment of the Special Assessments (including both principal of and interest on the Special Assessments) and with respect to the Improvement Area #2 Assessments, shown in the table of Improvement Area #2 Annual Installments attached to the Service and Assessment Plan as Exhibit H-2 and related to the Improvement Area #2 Projects, and with respect to the Improvement Area #3 Assessments, shown in the table of Improvement Area #3 Annual Installments attached to the Service and Assessment Plan as Exhibit I-3 related to the Improvement Area #3 Projects, which annual payment includes the Annual Collection Costs and the Additional Interest collected on each annual payment of the Special Assessments as described in the Indenture and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council as required by the PID Act and the Service and Assessment Plan.

“Assessed Parcel” means each parcel of land located within either Improvement Area #2 or Improvement Area #3 of the District against which a Special Assessment is levied by one of the Assessment Ordinances in accordance with the Service and Assessment Plan.

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

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

“Delinquent Collection Costs” mean the costs related to the foreclosure on an Assessed Parcel and the costs of collection of delinquent Special 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 interest and penalty interest.

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

“Improvement Area #2 Assessment Roll” means the Improvement Area #2 Assessment Roll attached as Exhibit H-1 to the Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area #2 Assessments levied against each Assessed Parcel located within Improvement Area #2 and related to the Bonds and the Improvement Area #2 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 #3 Assessment Roll” means the Improvement Area #3 Assessment Roll attached as Exhibit I-1 to the Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area #3 Assessments levied against each Assessed Parcel located within Improvement Area #3 and related to the Bonds and the Improvement Area #3 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.

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

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

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

“Special Assessments” means, collectively, the aggregate Improvement Area #2 Assessments and Improvement Area #3 Assessments as shown on the respective Assessment Rolls. The singular of such term means the Special Assessment levied against an Assessed Parcel, as shown on the respective Assessment Roll or in the Service and Assessment Plan, subject to reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

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

The City covenants, agrees, and warrants in the Indenture that, for so long as any Bonds are Outstanding, it will take and pursue all actions permissible under Applicable Laws to cause the Special Assessments to be collected and the liens thereof to be enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement, or exemption in the Special Assessments. See “– Pledged Revenue Fund,” “APPENDIX B – Form of Indenture,” and “APPENDIX C – Form of Service and Assessment Plan.”

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

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the respective Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the respective Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. See “BONDHOLDERS’ RISKS – Assessment Limitations.”

Collection and Enforcement of Assessments

For so long as any Bonds are Outstanding, the City covenants, agrees, and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Special 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 Special Assessments.

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

debt service requirements attributable to the Bonds in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinances.

A record of the Special 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. Sums received from the collection of the Special Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds, and penalties) and of the interest thereon shall be deposited into the Bond Pledged Revenue Account of the Pledged Revenue Fund. Notwithstanding the foregoing, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, and third, to the Redemption Fund. The Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund. See “SECURITY FOR THE BONDS – Pledged Revenue Fund” and “APPENDIX B – Form of Indenture.”

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

Amount of Special Assessments May be Reduced by TIRZ No. 2 Annual Credit Amount

On December 7, 2023, the City approved the TIRZ No. 2 Ordinance and the TIRZ No. 2 Project and Finance Plan authorizing the deposit to a segregated fund (the “TIRZ No. 2 Fund”) of a portion of ad valorem tax increment attributable to the new development and growth in taxable value within TIRZ No. 2 (such portion, the “TIRZ No. 2 Revenues”) to be used to offset a portion of the principal and interest portion of each Annual Installment of Special Assessments for payment of project costs, including costs of the Improvement Areas #2-3 Projects, as provided in the TIRZ Act and the TIRZ No. 2 Project and Finance Plan.

The City has agreed to contribute TIRZ No. 2 Revenues equal to 50% of the ad valorem taxes collected and received by the City on the Captured Appraised Value of real property within TIRZ No. 2 for each year. The “Captured Appraised Value” for each year means that year’s taxable assessed value of real property within TIRZ No. 2 less the taxable assessed value of real property within TIRZ No. 2 as of January 1, 2023. The TIRZ No. 2 Revenues will be determined each year (the “TIRZ Annual Credit Amount”) on a parcel-by-parcel basis within TIRZ No. 2, *provided, however*, that the TIRZ Annual Credit Amount shall not exceed \$928.39 for each 40’ lot and \$1,017.60 for each 50’ lot within Improvement Area #2 and Improvement Area #3 (for each lot type, the “TIRZ Maximum Annual Credit Amount”).

In the TIRZ No. 2 Project and Finance Plan and the Development Agreement, the City has agreed to transfer the TIRZ Annual Credit Amount from the TIRZ No. 2 Fund to the Principal and Interest Account of the Bond Fund on a parcel-by-parcel basis to offset a portion of the principal and interest portion of each related parcel’s Annual Installment of Special Assessments due each year, as calculated by the PID Administrator in collaboration with the City, in accordance with the Service and Assessment Plan. The net Annual Installment will be calculated each year by taking into consideration any TIRZ Annual Credit Amount applicable to each parcel on deposit in the Principal and Interest Account of the Bond Fund and will be reflected in each Annual Service Plan Update.

Pursuant to the TIRZ No. 2 Ordinance and TIRZ No. 2 Project and Finance Plan, the TIRZ No. 2 Revenues generated by each lot in any given year shall be used to calculate such lot’s TIRZ Annual Credit Amount in the following year (i.e., TIRZ No. 2 Revenues collected in 2024 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2025). The TIRZ No. 2 Revenues are generated only from ad valorem taxes levied and collected by the City on the Captured Appraised Value allocable to each parcel in any year. Consequently, TIRZ No. 2 Revenues are generated only if the appraised value of such parcel in any year is greater than the 2023 appraised value of such parcel. Any delay or failure of the Developer to develop Improvement Area #3 may result in a reduced amount of the TIRZ No. 2 Revenues being available to credit the Annual Installments in Improvement Area #3. See “ASSESSMENT PROCEDURES – Assessment Amounts – TIRZ No. 2 Annual Credit Amount” and “APPENDIX C – Form of Service and Assessment Plan.”

TIRZ No. 2 will terminate, unless the City elects to extend the term, upon the earlier of (i) December 31, 2053 (with final year's tax increment due by January 31, 2054), or (ii) at such time that the obligations of TIRZ No. 2, including all Project Costs, including costs of the Improvement Areas #2-3 Projects, have been paid in full. The City expects to collect TIRZ No. 2 Revenues for Improvement Area #2 and Improvement Area #3 for the last time in calendar year 2054 and apply them to the TIRZ Annual Credit Amount in 2055.

THE TIRZ NO. 2 REVENUES WILL NOT BE PLEDGED TO THE PAYMENT OF THE BONDS, AND THERE IS NO GUARANTEE THAT THERE WILL EVER BE SUFFICIENT TIRZ NO. 2 REVENUES TO GENERATE THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ ANNUAL CREDIT AMOUNT WILL NOT BE APPLIED IN ANY MANNER THAT WOULD AFFECT THE COLLECTION AND CONTINUOUS ENFORCEMENT OF THE ASSESSMENTS COLLECTED FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS AND ANNUAL COLLECTION COSTS AND THE FUNDING OF THE ADDITIONAL INTEREST RESERVE REQUIREMENT, IN THE MANNER AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS. THE ABILITY OF THE TIRZ ANNUAL CREDIT AMOUNT TO PROVIDE FOR THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT FOR PARCELS WITHIN IMPROVEMENT AREA #2 AND IMPROVEMENT AREA #3 IS DEPENDENT ON THE ACTUAL BUILDOUT VALUE IN IMPROVEMENT AREA #2 OR IMPROVEMENT AREA #3, AS THE CASE MAY BE, MEETING THE PROJECTIONS FOR THE ESTIMATED BUILDOUT VALUES DESCRIBED IN THE SERVICE AND ASSESSMENT PLAN. SEE "OVERLAPPING TAXES AND DEBT," "BONDHOLDERS' RISKS – TIRZ ANNUAL CREDIT AMOUNT AND MARKETING OF THE DEVELOPMENT," AND "APPENDIX C – FORM OF SERVICE AND ASSESSMENT PLAN."

Unconditional Levy of Assessments

The City imposed Improvement Area #2 Assessments on the property within Improvement Area #2 of the District and expects to impose Improvement Area #3 Assessments on the property within Improvement Area #3 of the District, to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Special Assessments were or will be effective on the date of adoption of, and strictly in accordance with the terms of, the Assessment Ordinances. Each Special Assessment may be paid in full or in part at any time, or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Special Assessments. Pursuant to the Assessment Ordinances, interest on the Improvement Area #2 Assessments for each lot within Improvement Area #2 of the District began to accrue, and interest on the Improvement Area #3 Assessments for each lot within Improvement Area #3 of the District will begin to accrue, on the date specified in the Service and Assessment Plan and, prior to issuance of the Bonds, is calculated at a rate specified in the Assessment Ordinances. After issuance of the Bonds, interest on the Special Assessments for each lot within Improvement Area #2 and Improvement Area #3 of the District will accrue at a rate specified in the Bond Ordinance but may not exceed the interest rate on the Bonds plus the up to 0.50% Additional Interest charged on Special Assessments pursuant to Section 372.018 of the PID Act. Such interest rates may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of a Special Assessment, shall be calculated annually and shall be due on October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the City has, with respect to Improvement Area #2, levied, assessed, and will continue to collect, and with respect to Improvement Area #3, will levy, assess, and collect, each year while the Bonds are Outstanding and unpaid, a portion of each Annual Installment to pay the annual costs incurred by the City in the administration and operation of the District. The portion of each Annual Installment used to pay such annual costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The Special Assessments to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinances on October 1 of each year and shall be delinquent if not paid by February 1 of the following year. Such Special Assessments to pay Annual Collection Costs do not secure repayment of the Bonds.

There is no discount for the early payment of Special Assessments.

Special 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 Assessed Property, superior to all other liens and claims, except liens or claims for State, county, school district, or municipality ad valorem taxes and shall be a personal liability of and charge against the owner of the property regardless of whether the owners are named, and runs with the land. The lien for Special Assessments and penalties and interest began on the effective date of the respective Assessment Ordinance and continues until the Special Assessments are paid or until all Bonds are finally paid.

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

Perfected Security Interest

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

Pledged Revenue Fund

A Pledged Revenue Fund is created in the Indenture to be held by the Trustee. On or before March 1 of each year while the Bonds are Outstanding, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with the Indenture, (iv) fourth, to pay Actual Costs of the Improvement Areas #2-3 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 of the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account of the Bond Fund [and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account], such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

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

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

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

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

Bond Fund

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

If amounts in the Principal and Interest Account of the Bond Fund are insufficient for the purposes set forth above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in the Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

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

<u>Date</u>	<u>Amount</u>
September 15, 2025	\$

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the date and in the amount listed above shall be transferred to the Improvement Area #3 Projects Account of the Project Fund or otherwise, pursuant to and in accordance with the directions provided in a City Certificate, or, if the Project Fund has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Project Fund

Money on deposit in the Project Fund shall be used for the purposes described in “PLAN OF FINANCE – The Bonds.” Money on deposit in the Improvement Area #2 Projects Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #2 Projects and money on deposit in the Improvement Area #3 Projects Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #3 Projects.

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates.

Disbursements from the other Accounts of the Project Fund to pay Actual Costs of the Improvement Areas #2-3 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 City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #2 Projects Account of the Project Fund or the Improvement Area #3 Projects Account of the Project Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursements contained in the Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement are herein incorporated by reference and deemed set forth herein in full.

If the City Representative determines in his or her sole discretion that amounts then on deposit in either the Improvement Area #2 Projects Account of the Project Fund or the Improvement Area #3 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 #2 Projects or the Improvement Area #3 Projects, respectively, such that, in the opinion of the City Representative, it is unlikely that the amounts in either the Improvement Area #2 Projects Account of the Project Fund or the Improvement Area #3 Projects Account of the Project Fund will ever be expended for the purposes of such Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #2 Projects Account of the Project Fund and/or the Improvement Area #3 Projects Account of the Project Fund that are not expected to be used for the respective purposes of such Account. If such City Certificate is so filed, the amounts on deposit in the Improvement Area #2 Projects Account of the Project Fund and/or the Improvement Area #3 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 pursuant to the Indenture, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

Upon the filing of a City Certificate stating that all Improvement Area #2 Projects have been completed and that all Actual Costs of the Improvement Area #2 Projects have been paid, or that any such Actual Costs of the Improvement Area #2 Projects are not required to be paid from the Improvement Area #2 Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #2 Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund, and (ii) shall close the Improvement Area #2 Projects Account. Upon the filing of a City Certificate stating that all Improvement Area #3 Projects have been completed and that all Actual Costs of the Improvement Area #3 Projects have been paid, or that any such Actual Costs of the Improvement Area #3 Projects are not required to be paid from the Improvement Area #3 Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #3 Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund, and (ii) shall close the Improvement Area #3 Projects Account. If the Improvement Area #2 Projects Account and the Improvement Area #3 Projects Account have been closed as provided above and the Costs of Issuance Account of the Project Fund has been closed pursuant to the Indenture, the Project Fund shall be closed.

Not later than six months following the Closing Date, or upon an earlier determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to 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 City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed. See "APPENDIX B – Form of Indenture."

Reserve Account of the Reserve Fund

A Reserve Account is created within the Reserve Fund in the Indenture and held by the Trustee for the benefit of the Bonds. The Reserve Account will be funded initially with proceeds of the Bonds in the amount of the initial Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" means the least of (i) Maximum Annual Debt Service on the Bonds, as of the Closing Date of the Bonds, (ii) 125% of average Annual Debt

Service on the Bonds, as of the Closing Date of the Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date for the Bonds, the Reserve Account Requirement is \$_____,^{*} which is an amount equal to the [Maximum Annual Debt Service] on the Bonds as of the Closing Date.

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

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

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

Additional Interest Reserve Account of the Reserve Fund

An Additional Interest Reserve Account is created within the Reserve Fund in the Indenture and held by the Trustee for the benefit of the Bonds. The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 15 and September 15 of each year, commencing March 15, 2026, an amount equal to the Additional Interest collected, if any, as shown in 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 City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to the Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement, then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished to the Additional Interest Reserve Requirement. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such

^{*} To be completed upon pricing of the Bonds.

surplus Additional Interest to the Redemption Fund and shall notify the City of such transfer in writing. In calculating the amounts to be transferred pursuant to the Indenture, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Rolls in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

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

The Additional Interest Reserve Requirement is 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. See “APPENDIX B – Form of Indenture” and “APPENDIX C – Form of Service and Assessment Plan.”

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.

Following the collection of the final Annual Installment of Improvement Area #2 Assessments or Improvement Area #3 Assessments, respectively, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account related to such Special Assessment shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds.

Administrative Fund

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

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

Bonds Deemed Paid

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

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

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

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

Events of Default

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

1. The failure of the City to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;
2. The failure of the City to enforce the collection of the Special Assessments, including the prosecution of foreclosure proceedings;
3. The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within 30 days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make any such payments; and
4. Default in the performance or observance of any covenant, agreement, or obligation of the City under the Indenture and the continuation thereof for a period of 90 days after written notice to the City by the Trustee, or by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds with a copy to the Trustee, specifying such default and requesting that the failure be remedied.

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

Remedies in Event of Default

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

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

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

Whenever moneys are to be applied as a result of any Event of Default, irrespective of whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim, and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of the Indenture. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit, or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted 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, 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 therein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided therein and for the equal benefit of the Owners of all Bonds then Outstanding. The

notification, request, and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy thereunder.

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

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

Application of Revenues and Other Moneys After Event of Default

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

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

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

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

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

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

Investment of Funds

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

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

Against Encumbrances

Other than Refunding Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance, or charge upon the Trust Estate, other than that specified in the Indenture, or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

So long as Bonds are Outstanding under the Indenture, and except as described below in “– Additional Obligations or Other Liens,” the City shall not issue any bonds, notes, or other evidences of indebtedness other than the Bonds and Refunding Bonds, if any, secured by any pledge of or other lien or charge on the Trust Estate, except for other indebtedness incurred in compliance with the Indenture.

Additional Obligations or Other Liens

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

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

Notwithstanding any contrary provision of the Indenture, Refunding Bonds, Additional Obligations, or subordinate obligations may not be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds, Additional Obligations, or subordinate obligations are scheduled to mature on September 15 of the years in which principal is scheduled to mature, and (2) the interest on such Refunding Bonds, Additional Obligations, or subordinate obligations is scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid.

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SOURCES AND USES OF FUNDS *

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

Sources of Funds:

Principal Amount	\$
TOTAL SOURCES	\$

Use of Funds:

Deposit to Improvement Area #2 Projects Account of the Project Fund	\$
Deposit to Improvement Area #3 Projects Account of the Project Fund	
Deposit to Capitalized Interest Account of the Bond Fund	
Deposit to Costs of Issuance Account of the Project Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to the District Administration Account of the Administrative Fund	
Underwriter's Discount ⁽¹⁾	
TOTAL USES	\$

⁽¹⁾ Includes the fee of counsel to the Underwriter.

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* To be completed upon pricing of the Bonds.

DEBT SERVICE REQUIREMENTS *

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

<u>Year Ending</u> <u>(September 30)</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			
Total			

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* To be completed upon pricing of the Bonds.

OVERLAPPING TAXES AND DEBT

Overlapping Taxes and Debt

The land within Improvement Area #2 and Improvement Area #3 has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Special Assessments.

The City, Wise County (the “County”), Wise County Emergency Services District #1 (“ESD #1”), Wise County College, Wise Water Control and Improvement District #1, and Boyd Independent School District (“Boyd ISD”) may each levy ad valorem taxes upon land in Improvement Area #2 and Improvement Area #3 for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or assessments levied by such other taxing authorities.

The following tables reflect the overlapping ad valorem taxes currently levied on property located in Improvement Area #2 and Improvement Area #3.

Overlapping Taxes in Improvement Area #2

<u>Taxing Entity</u>	<i>Without Application of TIRZ No. 2 Maximum Annual Credit Amount Tax Year 2024 Ad Valorem Tax Rate ⁽¹⁾</i>	<i>With Application of TIRZ No. 2 Maximum Annual Credit Amount Tax Year 2024 Ad Valorem Tax Rate ⁽¹⁾</i>
The City	\$0.660778	\$0.660778
Wise County	0.227500	0.227500
ESD #1	0.030000	0.030000
Wise County-Farm to Market Limited Tax Road	0.047500	0.047500
Boyd ISD	0.894200	0.894200
Wise County College Branch Maintenance Tax	0.032500	0.032500
Wise Water Control and Improvement District #1	<u>0.007563</u>	<u>0.007563</u>
Total Current Tax Rate	<u>\$1.900041</u>	<u>\$1.900041</u>
 Estimated Average Annual Installment of Assessment as an Equivalent Tax Rate ⁽²⁾	 \$0.767075	 \$0.767075
TIRZ No. 2 Maximum Annual Credit Amount applicable to Annual Installment of Assessment as an Equivalent Tax Rate ⁽³⁾	 –	 (\$0.330389)
 <i>Estimated Net Average Annual Installments as an Equivalent Tax Rate</i>	 <u>\$0.767075</u>	 <u>\$0.436686</u>
 Estimated Total Tax Rate and Average Annual Installment of Assessment as an Equivalent Tax Rate ⁽²⁾⁽³⁾	 <u>\$2.667116</u>	 <u>\$2.336727</u>

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

⁽²⁾ *Preliminary; subject to change.* Derived from information in the Service and Assessment Plan, and from lot counts and estimated buildout values provided by the Developer. Shown as an equivalent tax rate for illustration purposes only. See “ASSESSMENT PROCEDURES – Assessment Amounts – Method of Apportionment of Assessments” and “APPENDIX C – Form of Service and Assessment Plan.”

⁽³⁾ In the TIRZ No. 2 Ordinance and TIRZ No. 2 Project and Finance Plan, the City has agreed to use TIRZ No. 2 Revenues generated from each parcel within Improvement Area #2 to offset the principal and interest portion of such lot’s Annual Installment of Improvement Area #2 Assessments due each year. Derived from information in the Service and Assessment Plan. See “ASSESSMENT PROCEDURES – Assessment Amounts – TIRZ No. 2 Annual Credit Amount.”

Source: Wise County Appraisal District and the Service and Assessment Plan.

Overlapping Taxes in Improvement Area #3

<u>Taxing Entity</u>	<i>Without Application of TIRZ No. 2 Maximum Annual Credit Amount Tax Year 2024</i>	<i>With Application of TIRZ No. 2 Maximum Annual Credit Amount Tax Year 2024</i>
	<u>Ad Valorem Tax Rate ⁽¹⁾</u>	<u>Ad Valorem Tax Rate ⁽¹⁾</u>
The City	\$0.660778	\$0.660778
Wise County	0.227500	0.227500
ESD #1	0.030000	0.030000
Wise County-Farm to Market Limited Tax Road	0.047500	0.047500
Boyd ISD	0.894200	0.894200
Wise County College Branch Maintenance Tax	0.032500	0.032500
Wise Water Control and Improvement District #1	<u>0.007563</u>	<u>0.007563</u>
Total Current Tax Rate	\$1.900041	\$1.900041
Estimated Average Annual Installment of Assessment as an Equivalent Tax Rate ⁽²⁾	\$0.767015	\$0.767015
TIRZ No. 2 Maximum Annual Credit Amount applicable to Annual Installment of Assessment as an Equivalent Tax Rate ⁽³⁾	–	(\$0.330389)
<i>Estimated Net Average Annual Installments as an Equivalent Tax Rate</i>	<u>\$0.767015</u>	<u>\$0.436626</u>
Estimated Total Tax Rate and Average Annual Installment of Assessment as an Equivalent Tax Rate ⁽²⁾⁽³⁾	<u>\$2.667056</u>	<u>\$2.336667</u>

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

⁽²⁾ *Preliminary; subject to change.* Derived from information in the Service and Assessment Plan, and from lot counts and estimated buildout values provided by the Developer. Shown as an equivalent tax rate for illustration purposes only. See “ASSESSMENT PROCEDURES – Assessment Amounts – Method of Apportionment of Assessments” and “APPENDIX C – Form of Service and Assessment Plan.”

⁽³⁾ In the TIRZ No. 2 Ordinance and TIRZ No. 2 Project and Finance Plan, the City has agreed to use TIRZ No. 2 Revenues generated from each parcel within Improvement Area #3 to offset the principal and interest portion of such lot’s Annual Installment of Improvement Area #3 Assessments due each year. Derived from information in the Service and Assessment Plan. See “ASSESSMENT PROCEDURES – Assessment Amounts – TIRZ No. 2 Annual Credit Amount.”

Source: Wise County Appraisal District and the Service and Assessment Plan.

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As noted above, Improvement Area #2 and Improvement Area #3 include territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Area #2 and Improvement Area #3, as of March 1, 2025, and City debt to be secured by the Special Assessments:

Overlapping Debt in Improvement Area #2 and Improvement Area #3

<u>Taxing or Assessing Entity</u>	<u>Gross Outstanding Debt as of March 1, 2025</u>	<u>Estimated % Applicable ⁽¹⁾</u>	<u>Estimated Overlapping Debt ⁽¹⁾</u>
The City (Assessments – Bonds)	\$10,436,000 *	100.00%	\$10,436,000 *
The City (Ad Valorem Taxes)	12,383,174	5.37%	664,655
Wise County	11,000,000	0.12%	12,927
Boyd ISD	29,615,000	1.30%	385,151
Total	\$63,434,174		\$11,498,733

* Preliminary, subject to change.

⁽¹⁾ Based on the estimated finished lot value for Improvement Areas #2-3 and the 2024 net taxable assessed valuations for the taxing entities.

Sources: Wise County Appraisal District, Municipal Advisory Council of Texas, and Service and Assessment Plan.

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. 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 three years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land's agricultural value and the taxes that the landowner would have paid if the land had been taxed on a higher market value plus interest charged for each year from the date on which taxes would have been due. All of the lots in Improvement Area #2 and Improvement Area #3 have been developed and platted and all rollback taxes have been paid.

Homeowners' Association Dues

In addition to the Special Assessments described above, the Developer anticipates that each single-family residential lot owner in the District will pay a property owner's association fee to Springhill Residential Community, Inc. (the "HOA") formed by the Developer in the approximate amount of \$500 annually.

ASSESSMENT PROCEDURES

General

As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Areas #2-3 Projects through the Special Assessments, it must adopt a resolution generally describing the Improvement Areas #2-3 Projects and the land within Improvement Area #2 and Improvement Area #3 of the District to be subject to Special Assessments to pay the cost thereof.

The City has caused the Improvement Area #2 Assessment Roll to be prepared, which shows the lots and parcels within Improvement Area #2 of the District that has been assessed, the amount of the benefit to and the Improvement Area #2 Assessment against each lot or parcel of land within Improvement Area #2, and the number of Annual Installments into which the Improvement Area #2 Assessment is divided. The Improvement Area #2 Assessment Roll was filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the Improvement Area #2 Assessed Property and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #2 Projects and funding a portion of the same with Improvement Area #2 Assessments. The City adopted the 2024 Assessment Ordinance and levied the Improvement Area #2 Assessments on September 17, 2024. After adoption of the 2024 Assessment Ordinance, the Improvement Area #2 Assessments became legal, valid, and binding liens upon the Improvement Area #2 Assessed Property.

The City has caused the Improvement Area #3 Assessment Roll to be prepared, which shows the lots and parcels within Improvement Area #3 of the District to be assessed, the amount of the benefit to and the Improvement Area #3 Assessment to be levied against each lot or parcel of land within Improvement Area #3, and the number of Annual Installments into which the Improvement Area #3 Assessment is to be divided. The Improvement Area #3 Assessment Roll will be filed with the City Secretary and made available for public inspection. Statutory notice will be given to the owners of the Improvement Area #3 Assessed Property and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #3 Projects and funding a portion of the same with Improvement Area #3 Assessments. The City expects to adopt the 2025 Assessment Ordinance and levy the Improvement Area #3 Assessments on April 15, 2025. After adoption of the 2025 Assessment Ordinance, the Improvement Area #3 Assessments will become legal, valid, and binding liens upon the Improvement Area #3 Assessed Property.

Pursuant to the PID Act, the costs of the Improvement Areas #2-3 Projects to be defrayed through Special Assessments may be assessed by the City against the Assessed Property so long as (i) the special benefit conferred upon the Improvement Area #2 Assessed Property by the Improvement Area #2 Projects equals or exceeds the Improvement Area #2 Assessments, and (ii) the special benefit conferred upon the Improvement Area #3 Assessed Property by the Improvement Area #3 Projects equals or exceeds the Improvement Area #3 Assessments. The costs of the Improvement Areas #2-3 Projects 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 the District is presented in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX C – Form of Service and Assessment Plan."

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of Assessed Property as a result of the Improvement Areas #2-3 Projects, provides the basis and justification for the determination that such special benefit exceeds the Special Assessments levied and to be levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Areas #2-3 Projects to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Areas #2-3 Projects is being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Special Assessments, and other assets comprising the Trust Estate. As set forth in the Service and Assessment Plan, the City Council has determined that (i) the Actual Costs associated with the Improvement Area #2 Projects will be allocated to the Improvement Area #2 Assessed Property by spreading the entire Improvement Area #2 Assessments across all Improvement Area #2 Assessed Property based on the ratio of Estimated Buildout Value of each Lot Type in Improvement Area #2 to the Estimated Buildout Value of all Improvement Area #2 Assessed Property, and (ii) the Actual Costs associated with the Improvement Area #3 Projects will be allocated to the Improvement Area #3 Assessed Property by spreading the entire Improvement Area #3 Assessments across all Improvement Area #3 Assessed Property based on the ratio of Estimated Buildout Value of each Lot Type in Improvement Area #3 to the Estimated Buildout Value of all Improvement Area #3 Assessed Property.

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The following table provides additional analysis with respect to assessment methodology, including the value to Special Assessment burden ratio per Lot Type, equivalent tax rate per Lot Type, and leverage per Lot Type related to the Special Assessments applicable to Improvement Area #2 and Improvement Area #3. The information in the table was obtained from and calculated using information provided in the Service and Assessment Plan. See “APPENDIX C – Form of Service and Assessment Plan.”

**Lien to Value Analysis, Assessment Allocation, Equivalent Tax Rate,
and Leverage per Lot Type in Improvement Area #2**

Lot Type	Planned No. of Lots	Estimated Finished Value per Lot Type ⁽¹⁾	Projected Average Home Value per Lot Type ⁽¹⁾	Assessment per Lot Type ⁽²⁾	Average Annual Installment of Assessment per Lot Type ⁽²⁾	Tax Rate Equivalent of Average Annual Installment of Assessment per Lot Type ⁽²⁾	Estimated Ratio of Estimated Finished Value per Lot Type to Assessment ^{(1), (2)}	Estimated Ratio of Projected Average Home Value per Lot Type to Assessment ^{(1), (2)}
40'	65	\$37,600	\$281,000	\$26,265.43	\$2,155.48	\$0.767075	1.43 : 1	10.70 : 1
50'	134	\$48,693	\$308,000	\$28,789.16	\$2,362.59	\$0.767075	1.69 : 1	10.70 : 1

⁽¹⁾ Provided by Developer at the time of the levy of the Improvement Area #2 Assessments. See “THE DEVELOPMENT – Status of Single-Family Lot and Home Development in the District.”

⁽²⁾ Per \$100 of home value.

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

**Lien to Value Analysis, Assessment Allocation, Equivalent Tax Rate,
and Leverage per Lot Type in Improvement Area #3**

Lot Type	Planned No. of Lots	Estimated Finished Value per Lot Type ⁽¹⁾	Projected Average Home Value per Lot Type ⁽¹⁾	Assessment per Lot Type ⁽²⁾	Average Annual Installment of Assessment per Lot Type ⁽²⁾	Tax Rate Equivalent of Average Annual Installment of Assessment per Lot Type ⁽²⁾	Estimated Ratio of Estimated Finished Value per Lot Type to Assessment ^{(1), (2)}	Estimated Ratio of Projected Average Home Value per Lot Type to Assessment ^{(1), (2)}
40'	54	\$37,600	\$281,000	\$26,413.00	\$2,155.31	\$0.767015	1.42 : 1	10.64 : 1
50'	108	\$48,693	\$308,000	\$28,950.91	\$2,362.41	\$0.767015	1.68 : 1	10.64 : 1

⁽¹⁾ Provided by Developer. See “THE DEVELOPMENT – Status of Single-Family Lot and Home Development in the District.”

⁽²⁾ Per \$100 of home value.

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

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

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Special Assessments on parcels similarly benefitted within Improvement Area #2 and Improvement Area #3. The Special Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers within Improvement Area #2 and Improvement Area #3. See “APPENDIX C – Form of Service and Assessment Plan.”

Collection and Enforcement of Assessment Amounts

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

In the Indenture, the City covenants to collect, or cause to be collected, Special Assessments as provided in the Assessment Ordinances. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Improvement Area #2 Assessment Roll and Improvement Area #3 Assessment Roll and a calculation of the Annual Installment for each parcel. Annual Collection Costs shall be allocated among all parcels in proportion to the amount of the Annual Installments for the parcels.

In the Indenture, the City covenants, agrees, and warrants that, for so long as any Bonds are Outstanding, it will take and pursue all actions permissible under Applicable Laws to cause the Special 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 Special Assessments. See "SECURITY FOR THE BONDS – Collection of Assessments and Enforcement of Lien."

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

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

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

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

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

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

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

Assessment Amounts

Assessment Amounts. The amounts of the Special Assessments have been established by the methodology described in the Service and Assessment Plan. The Improvement Area #2 Assessment Roll sets forth for each year the Annual Installment for each parcel within Improvement Area #2. The Improvement Area #2 Assessments may not exceed the amounts shown on the Improvement Area #2 Assessment Roll. The Improvement Area #2 Assessments were levied against the parcels comprising the Improvement Area #2 Assessed Property as indicated on the Improvement Area #2 Assessment Roll. See "APPENDIX C – Form of Service and Assessment Plan."

The Improvement Area #3 Assessment Roll sets forth for each year the Annual Installment for each parcel within Improvement Area #3. The Improvement Area #3 Assessments may not exceed the amounts shown on the Improvement Area #3 Assessment Roll. The Improvement Area #3 Assessments are expected to be levied against the parcels comprising the Improvement Area #3 Assessed Property as indicated on the Improvement Area #3 Assessment Roll. See "APPENDIX C – Form of Service and Assessment Plan."

The Annual Installments shown on the Improvement Area #2 Assessment Roll and the Improvement #3 Assessment Roll will be reduced to equal the actual costs of repaying the Bonds, the Additional Interest, and actual Annual Collection Costs (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

If the debt service on issued and Outstanding Bonds is reduced as the result of an economic refunding of the Bonds, Prepayment of Special Assessments, or redemption of Bonds, then there would be a corresponding reduction in the Special Assessments and the Annual Installments. See "APPENDIX C – Form of Service and Assessment Plan." In such case, the reduced Special Assessment and Annual Installment, as shown on the Improvement Area #2 Assessment Roll and/or the Improvement Area #3 Assessment Roll, shall be reflected in the next Annual Service Plan Update and approved by City Council.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Special Assessments shall be initially allocated to the parcels consisting of the Assessed Property based on the ratio of the Estimated Buildout Value of each parcel in Improvement Area #2 to the Estimated Buildout Value of all parcels in Improvement Area #2 or the ratio of the Estimated Buildout Value of each parcel in Improvement Area #3 to the Estimated Buildout Value of all parcels in Improvement Area #3, as the case may be.

Division Prior to Recording of Subdivision Plat. Upon the division of any Assessed Property prior to the recording of a subdivision plat, the Administrator shall reallocate the Special 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 meaning:

A = the Special Assessment for the newly divided Assessed Property

B = the Special 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 Special Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, relying on information from homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Special Assessments for all newly divided Assessed Properties shall equal the Special Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of a Special Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Special Assessment prior to the reallocation. Any reallocation shall be reflected in the next Annual Service Plan Update and approved by the City Council.

Upon Subdivision by a Recorded Subdivision Plat. Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Special 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 Special Assessment for the newly subdivided lot

B = the Special Assessment for the parcel prior to subdivision

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

D = the sum of the Estimated Buildout Value for all the newly subdivided lots excluding Non-Benefitted Property

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

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

The sum of the Special Assessments for all newly subdivided lots shall not exceed the Special Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of a Special Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Special Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the City Council.

Upon Consolidation. If two or more lots or parcels are consolidated into a single parcel or lot, the Administrator shall allocate the Special Assessments against the lots or parcels before the consolidation to the consolidated lot or parcel, which allocation shall be reflected in the next Annual Service Plan Update and approved by the City Council. The Special Assessment for any resulting lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Special Assessments.

TIRZ No. 2 Annual Credit Amount. Pursuant to the Development Agreement, the Service and Assessment Plan, and the TIRZ No. 2 Ordinance, the City agreed to use TIRZ No. 2 Revenues generated from each parcel of Assessed Property within Improvement Area #2 and Improvement Area #3 to offset the principal and interest portion of such parcel's Annual Installment of Special Assessment related to the Improvement Areas #2-3 Projects. The Annual Installment of the Special Assessments for each parcel within Improvement Area #2 and Improvement Area #3 will be calculated each year by taking into consideration any TIRZ No. 2 Annual Credit Amount applicable to such parcel, but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the TIRZ No. 2 Maximum Annual Credit Amount (\$928.39 for each 40' lot and \$1,017.60 for each 50' lot within Improvement Area #2 and Improvement Area #3). TIRZ No. 2 Revenues are generated only from ad valorem taxes levied and collected by the City on the Captured Appraised Value on the applicable parcel in any year. Consequently, TIRZ No. 2 Revenues will be generated only if the appraised taxable value of such parcel in any year is greater than the appraised taxable value of such parcel as of January 1, 2023. See "SECURITY FOR THE BONDS – Amount of Assessments May be Reduced by TIRZ No. 2 Annual Credit Amount" and "APPENDIX C – Form of Service and Assessment Plan."

THE ABILITY OF THE TIRZ NO. 2 ANNUAL CREDIT AMOUNT TO EQUAL THE TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT FOR PARCELS WITHIN IMPROVEMENT AREA #2 AND IMPROVEMENT AREA #3 IS DEPENDENT ON THE ACTUAL BUILDOUT VALUE IN IMPROVEMENT AREA #2 AND IMPROVEMENT AREA #3 MEETING THE PROJECTIONS FOR THE ESTIMATED BUILDOUT VALUES DESCRIBED IN THE SERVICE AND ASSESSMENT PLAN. SEE "OVERLAPPING TAXES AND DEBT," "BONDHOLDERS' RISKS – TIRZ NO. 2 ANNUAL CREDIT AMOUNT AND MARKETING OF THE DEVELOPMENT," AND "APPENDIX C –SERVICE AND ASSESSMENT PLAN."

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The following table reflects the estimated allocation of Special Assessments levied and collected and TIRZ No. 2 Maximum Annual Credit Amount to be applied per lot type.

**Special Assessment and TIRZ No. 2 Maximum Annual Credit Amount Allocation by Lot Type
in Improvement Area #2 and Improvement Area #3⁽¹⁾**

Lot Type	Number of Lots	Maximum Assessment Per Lot ⁽²⁾	Average Annual Installment Per Lot	Equivalent Tax Rate Per \$100 AV ⁽³⁾	Total	TIRZ No. 2	Net Annual Installment Per Lot ⁽⁵⁾	Net	Net Total
					Overlapping			Assessment	Overlapping
					Equivalent Tax Rate Per \$100 AV ⁽⁴⁾	Maximum Annual Credit Per Lot ⁽⁵⁾		Equivalent Tax Rate Per \$100 AV ⁽⁵⁾	Equivalent Tax Rate Per \$100 AV ⁽⁶⁾
<u>Improvement Area #2</u>									
40'	65	\$26,265.43	\$2,155.48	\$0.767075	\$2.667116	\$ 928.39	\$1,227.09	\$0.436686	\$2.336727
50'	134	\$28,789.16	\$2,362.59	\$0.767075	\$2.667116	\$1,017.60	\$1,344.99	\$0.436686	\$2.336727
<u>Improvement Area #3</u>									
40'	54	\$26,413.00	\$2,155.31	\$0.767015	\$2.667056	\$ 928.39	\$1,226.92	\$0.436626	\$2.336667
50'	108	\$28,950.91	\$2,362.41	\$0.767015	\$2.667056	\$1,017.60	\$1,344.81	\$0.436626	\$2.336667

⁽¹⁾ Preliminary; subject to change. Based on the concept plan for the District. Derived from information in the Service and Assessment Plan. The actual unit counts may vary from that shown above. Includes the Special Assessments securing the Bonds.

⁽²⁾ Pursuant to the Service and Assessment Plan, "Maximum Assessment" means, for each Lot Type within Improvement Area #2 and Improvement Area #3, the amount shown on Exhibit E to the Service and Assessment Plan.

⁽³⁾ Equivalent tax rate of the Special Assessments only. Based on Estimated Buildout Values provided by the Developer at the times of the levies of the Special Assessments. See "OVERLAPPING TAXES AND DEBT – Overlapping Taxes" and "APPENDIX C – Form of Service and Assessment Plan."

⁽⁴⁾ Total equivalent tax rate of the Special Assessments and the ad valorem tax rates for the City and other overlapping tax entities. Based on Estimated Buildout Values provided by the Developer at the times of the levies of the Special Assessments. See "OVERLAPPING TAXES AND DEBT – Overlapping Taxes" and "APPENDIX C – Form of Service and Assessment Plan."

⁽⁵⁾ For illustration purposes only. The net Annual Installment of Special Assessments for each parcel within Improvement Area #2 and Improvement Area #3 will be calculated each year by taking into consideration any TIRZ No. 2 Annual Credit Amount applicable to such parcel, as described under "SECURITY FOR THE BONDS – Amount of Assessments May be Reduced by TIRZ No. 2 Annual Credit Amount," but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the TIRZ No. 2 Maximum Annual Credit Amount. The ability of the TIRZ No. 2 Annual Credit Amount to equal the TIRZ No. 2 Maximum Annual Credit Amount is dependent on the actual buildout value in Improvement Area #2 and Improvement Area #3 meeting the projections for the estimated buildout value per lot. There is no guarantee that there will be sufficient TIRZ No. 2 Revenues to generate the TIRZ No. 2 Maximum Annual Credit Amount. See "OVERLAPPING TAXES AND DEBT – Overlapping Taxes" and "APPENDIX C – Form of Service and Assessment Plan."

⁽⁶⁾ For illustration purposes only. Represents the total equivalent tax rate of the Special Assessments, less the TIRZ No. 2 Maximum Annual Credit, plus the ad valorem tax rates for the City and other overlapping taxing entities. See "OVERLAPPING TAXES AND DEBT – Overlapping Taxes" and "APPENDIX C – Form of Service and Assessment Plan."

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

The Bonds are secured by a first lien on and pledge of Pledged Revenues, including the Special Assessments. TIRZ No. 2 Revenues do not secure repayment of the Bonds. See "SECURITY FOR THE BONDS" and "APPENDIX C – Form of Service and Assessment Plan."

Prepayment of Assessments

Pursuant to the PID Act and the Indenture, the owner of any Assessed Property may voluntarily prepay (a "Prepayment"), at any time, all or part of a Special Assessment levied against such owner's Assessed Property, together with accrued interest to the date of payment. 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 a Special Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Special Assessments.

Priority of Lien

The Special Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the Assessed Property, 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 dates of adoption of the respective Assessment Ordinance until the Special Assessment is paid and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any Assessed Property may pay the entire Special 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 Special Assessments on homestead property (unless the lien associated with the assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

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

In the Indenture, the City covenants to take and pursue all actions permissible under Applicable Laws to cause the Special 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 Special Assessments, provided that the City is not required to expend any funds for collection and enforcement of Special Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See “APPENDIX B – Form of Indenture.” See also “APPENDIX E-1 – Form of Disclosure Agreement of Issuer” for a description of the expected timing of certain events with respect to collection of the delinquent Special Assessments.

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

THE CITY

Background

The City is located in Wise County approximately 30 miles northwest of the Dallas-Fort Worth metroplex. Access to the City is provided by State Highway 114 and FM 730. The City covers approximately 4.1 square miles. Some of the services that the City provides are public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, health and social services, culture, recreation, planning and zoning, and general administrative services. The 2020 Census population for the City was 1,416. The City estimates its population as of January 1, 2025, was 2,625.

City Government

The City is a political subdivision and Type A general law municipality of the State, duly organized and existing under the laws of the State. The City operates under the City Manager form of government with a City Council comprised of the Mayor and six Councilmembers elected for staggered two-year terms, two each from three wards. The City Manager has the authority granted under Chapter 25, Texas Local Government Code, and has been given certain powers and authority by the City Council.

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

Water and Wastewater

The City will provide both water and wastewater services to the District. The City’s currently existing water and wastewater systems are sufficient to serve the District.

The City is currently served by a combination of surface water, via wholesale service from Walnut Creek Special Utility District, and groundwater production from the City’s two existing wells. The City has a total elevated storage capacity of 430,000 gallons of water and ground storage tanks with total storage capacity of 350,000 gallons. The City’s water treatment plant capacity is currently 433,000 and up to 576,000 gallons per day or 0.43 to 0.57 million gallons per day (“mgd”).

The City’s sanitary sewer system consists of 10 lift stations and two wastewater treatment plants at its wastewater treatment facility. The City’s current wastewater treatment facility is located on Hwy 114 on the east side of the City. Currently, the total treatment capacity of the City’s permitted treatment is 0.25 mgd. The City’s wastewater treatment plant is currently nearing 56% capacity.

In September 2022, the City issued approximately \$5.9 million of debt for a Texas Water Development Board project for water system improvements, including the construction of additional water storage facilities. The project is currently under construction, adding ground storage of 750,000 gallons and increasing pumping capacity by 2.16 mgd to expand the City’s ability to provide water volume to the central and south sides of the City. In addition, the design phase has started for a new elevated tower for the south side of the City, which will add between 500,000 – 1,000,000 gallons of storage.

The City is in the permitting phase to expand the wastewater treatment plant from 0.25 mgd to 0.9 mgd. The expansion is currently under permit review with the Texas Commission on Environmental Quality. The City is in the process of issuing additional debt for water line projects and the construction of a new Reverse Osmosis treatment facility, which will improve water quality, and three additional groundwater production wells to complete the City’s overall water and wastewater infrastructure.

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by the City in accordance with the PID Act by a resolution adopted by the City Council on March 19, 2019, in accordance with the PID Act (the “Creation Resolution”), for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Areas #2-3 Projects, authorized by the PID Act and approved by the City Council that confer a special benefit on the portion of the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page iv.

Powers and Authority of the City

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

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, pay, or reimburse a developer for the costs of financing, acquisition, construction, or improvement of the Improvement Areas #2-3 Projects. See "THE IMPROVEMENT AREAS #2-3 PROJECTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition, or purchase of certain streets, water, storm drainage, and sanitary sewer improvements comprising the Improvement Areas #2-3 Projects and certain related soft costs, and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues and other assets comprising the Trust Estate. See "ASSESSMENT PROCEDURES" and "APPENDIX C – Form of Service and Assessment Plan."

Collection and Delinquency History of Improvement Area #1 of the District

On May 5, 2022, the City levied assessments in Improvement Area #1 of the District. The initial annual installments of such assessments were due and payable on or before January 31, 2023. The following table shows the collection and delinquency history of the assessments in Improvement Area #1 of the District.

Collection and Delinquency of Improvement Area #1 Assessments

Assessments <u>Due 1/31</u> ⁽¹⁾	Annual <u>Installments</u>	Parcels <u>Levied</u>	Delinquent Amount <u>as of 3/1</u>	Delinquent Percentage <u>as of 3/1</u>	Delinquent Amount <u>as of 9/1</u>	Delinquent Percentage <u>as of 9/1</u>	Annual Installments <u>Collected</u> ⁽²⁾
2023	\$531,450.10	188	–	–	–	–	\$531,450.10
2024	\$649,637.19	188	\$ 6,659.82	1.03%	–	–	\$649,637.19
2025	\$604,603.30	322	\$14,385.00	2.38%	N/A	N/A	\$595,663.28

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

⁽²⁾ Excludes penalties and interest and any prepayments of such assessments.

THE COLLECTION AND DELINQUENCY HISTORY OF ASSESSMENTS IN IMPROVEMENT AREA #1 IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY. NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE ASSESSMENTS IN IMPROVEMENT AREA #2 AND IMPROVEMENT AREA #3 OF THE DISTRICT WILL MIRROR THE COLLECTION HISTORY OF ASSESSMENTS IN IMPROVEMENT AREA #1. THE ASSESSMENTS IN IMPROVEMENT AREA #1 ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

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THE IMPROVEMENT AREAS #2-3 PROJECTS

General

The Improvement Area #2 Projects were completed in March 2025 and the Developer expects the Improvement Areas #3 Projects to be complete in April 2025. Pursuant to the Development Agreement, by and between the City and Bob Shelton Enterprises, Ltd., effective October 29, 2018 (as amended and assigned to the Developer, the “Development Agreement”), the Developer is responsible for the completion of the construction, acquisition, or purchase of the Improvement Areas #2-3 Projects.

Pursuant to the Improvement Areas #2-3 Reimbursement Agreements, the Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement, and the Indenture, the City will pay the Developer for a portion of the Actual Costs of the Improvement Areas #2-3 Projects previously incurred by the Developer from proceeds of the Bonds. See “THE DEVELOPMENT – Development Plan.”

The Improvement Areas #2-3 Projects consist of the Improvement Area #2 Improvements, the Improvement Area #3 Improvements, and Improvement Area #2’s proportionate share and Improvement Area #3’s proportionate share of the Major Improvements, all as described below.

Improvement Area #2 Improvements. The Improvement Area #2 Improvements, a portion of which are being financed with proceeds of the Bonds, include improvements and soft costs benefitting only Assessed Property in Improvement Area #2 of the District, as described below.

Streets: Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, barricades, traffic control, platting, and staking. All related earthwork, excavation, erosion control, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each lot within Improvement Area #2.

Water: Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control, hydrants, platting, staking, steel encasement, and all necessary appurtenances constructed to City standards required to provide water service to all lots within Improvement Area #2.

Storm Drainage: Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control, manholes, traffic control, detention pond, pond spillway, encasement, removal and replacement of existing pavement, platting, staking, and all necessary appurtenances constructed to City standards required to provide storm drainage for all lots within Improvement Area #2.

Sanitary Sewer: Improvements including trench excavation and embedment, trench safety, PVC piping, encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control, platting, staking, and all necessary appurtenances constructed to City standards required to provide wastewater service to all lots within Improvement Area #2.

Soft Costs: Costs related to designing, constructing, and installing the Improvement Area #2 Improvements, including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, and consultants.

Improvement Area #3 Improvements. The Improvement Area #3 Improvements, a portion of which are being financed with proceeds of the Bonds, include improvements and soft costs benefitting only Assessed Property in Improvement Area #3 of the District, as described below.

Streets: Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, barricades, traffic control, platting, and staking. All related earthwork,

excavation, erosion control, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each lot within Improvement Area #3.

Water: Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control, hydrants, platting, staking, steel encasement, and all necessary appurtenances constructed to City standards required to provide water service to all lots within Improvement Area #3.

Storm Drainage: Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control, manholes, traffic control, detention pond, pond spillway, encasement, removal and replacement of existing pavement, platting, staking, and all necessary appurtenances constructed to City standards required to provide storm drainage for all lots within Improvement Area #3.

Sanitary Sewer: Improvements including trench excavation and embedment, trench safety, PVC piping, encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control, platting, staking, and all necessary appurtenances constructed to City standards required to provide wastewater service to all lots within Improvement Area #3.

Soft Costs: Costs related to designing, constructing, and installing the Improvement Area #3 Improvements, including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, and consultants.

Major Improvements. The Major Improvements, a portion of which are being financed with proceeds of the Bonds, include improvements and soft costs benefitting all the Assessed Property within the District, as described below.

Streets: Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, pavement materials, traffic control, platting and staking. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each lot within the District.

Water: Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control, hydrants, platting, staking, and all necessary appurtenances constructed to City standards required to provide water service to all lots within the District.

Sanitary Sewer: Improvements including trench excavation and embedment, trench safety, PVC piping, encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control, platting, staking, and all necessary appurtenances constructed to City standards required to provide wastewater service to all lots within the District.

Soft Costs: Costs related to designing, constructing, and installing the Major Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, District Formation Costs, legal fees, and consultants.

The total costs of the Improvement Areas #2-3 Projects are expected to be approximately \$14,154,342. A portion of such costs in the amount of \$91,000 has been paid to the Developer previously from revenues from the Improvement Area #2 Assessments pursuant to the Improvement Area #2 Reimbursement Agreement. A portion of such costs in the approximate amount of \$8,639,346* is expected be paid to the Developer from proceeds of the Bonds. The remainder of such costs in the approximate amount of \$5,423,996* will not be reimbursed by the City. See "SOURCES AND USES OF FUNDS" and "APPENDIX C – Form of Service and Assessment Plan."

* Preliminary, subject to change.

The following table reflects the estimated total costs of the Improvement Areas #2-3 Projects.

<u>Type of Improvement Area #2 Improvement</u>	<u>Costs</u>
Streets	\$ 1,732,487
Water	869,879
Storm Drainage	1,350,120
Sanitary Sewer	730,892
Soft Costs	<u>1,093,319</u>
Total	\$5,776,696

<u>Type of Improvement Area #3 Improvement</u>	<u>Costs</u>
Streets	\$ 1,187,887
Water	573,138
Storm Drainage	555,201
Sanitary Sewer	576,248
Soft Costs	<u>685,445</u>
Total	\$3,577,917

<u>Type of Major Improvement</u>	Improvement Area #2's <u>Pro-Rata Costs</u>
Streets	\$ 158,564
Water	173,480
Sanitary Sewer	1,870,126
Soft Costs	<u>465,729</u>
Total	\$2,667,900

<u>Type of Major Improvement</u>	Improvement Area #3's <u>Pro-Rata Costs</u>
Streets	\$ 126,703
Water	138,622
Sanitary Sewer	1,494,355
Soft Costs	<u>372,149</u>
Total	\$2,131,829

Grand Total – Improvement Areas #2-3 Projects	<u>\$14,154,342</u>
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Ownership and Maintenance of Improvement Areas #2-3 Projects

Improvement Areas #2-3 Projects. The Improvement Areas #2 Projects have been completed and dedicated to and accepted by the City. The Developer expects the Improvement Areas #3 Projects to be completed and accepted by the City in April 2025. The Improvement Areas #2-3 Projects will constitute a portion of the City's infrastructure improvements. The City will provide for the ongoing operation, maintenance, and repair of the Improvement Areas #2-3 Projects constructed and conveyed, as outlined in the Service and Assessment Plan.

Private Improvements. In addition to the Improvement Areas #2-3 Projects, the Developer constructed an approximately 1,000 square foot amenity center with a swimming pool, playground, soccer field, and basketball court, a community walking trail, and ponds within the Development (collectively, the "Private Improvements"). The Private Improvements were completed in January 2024 at a cost of approximately \$2,500,000. The costs of the Private Improvements were paid entirely by the Developer from cash on hand and will not be reimbursed by the City.

The Private Improvements are owned, operated, and maintained by the HOA. The HOA provides for the ongoing operation, maintenance, and repair of the Private Improvements through the administration of a property owner's association fee to be paid by each lot owner within the District in the current amount of \$500 per year. See "OVERLAPPING TAXES AND DEBT – Homeowners' Association Dues."

THE DEVELOPMENT

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

Overview

The Developer purchased the property within the District in May 2021 from cash on hand and is developing such property as a master-planned community to include approximately 674 single-family detached residential lots, an amenity center with a swimming pool, playground, soccer field, and basketball court, and a community walking trail and ponds (collectively, the "Development"), with completion of all single-family lot development expected to occur in April 2025. See the map and concept plan for the District on page vi.

Development Plan and Status of Development

The Developer is developing the District in four phases, consisting of three improvement areas. The Development will include certain Authorized Improvements for each improvement area as well as each improvement area's pro-rata share of the Major Improvements benefitting such improvement area.

Development in Improvement Area #1. Improvement Area #1 was the first area of the District to be developed. Improvement Area #1 consists of construction phases 1 and 2 as depicted in the map on page vi. Improvement Area #1 consists of approximately 77.166 acres and 313 single-family residential lots, comprised of 148 40' lots and 165 50' lots. Development of the 187 lots in phase 1 of Improvement Area #1 was completed in October 2022 and development of the 126 lots in phase 2 of Improvement Area #1 was completed in April 2024. All public improvements in Improvement Area #1 and the Major Improvements have been accepted by the City.

The City issued its Special Assessment Revenue Bonds, Series 2024 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #1 Project) (the "Improvement Area #1 Bonds") in the aggregate principal amount of \$8,492,000 in February 2024 to finance the costs of the public improvements benefitting only the property with Improvement Area #1 and Improvement Area #1's allocable share of the Major Improvements. As of March 15, 2025, the outstanding principal amount of the Improvement Area #1 Bonds was \$8,132,000.

Development in Improvement Area #2. The Developer began development of Improvement Area #2 in January 2024. Improvement Area #2 consists of approximately 44.868 acres and 199 single-family residential lots, comprised of 65 40' lots and 134 50' lots. Development of Improvement Area #2 was completed in March 2025.

Development in Improvement Area #3. Improvement Area #3 is the final development phase of the District. The Developer began development of Improvement Area #3 in July 2024. Improvement Area #3 consists of approximately 29.147 acres and 162 single-family residential lots, comprised of 54 40' lots and 108 50' lots. Development of Improvement Area #3 is expected to be completed in April 2025.

See "THE IMPROVEMENT AREAS #2-3 PROJECTS," "THE DEVELOPMENT – Status of Single-Family Lot and Home Development in the District," and "APPENDIX C – Form of Service and Assessment Plan."

Developer as Homebuilder

The Developer intends to construct homes on all of the lots in the District and does not expect to contract with any merchant homebuilders. For more information on the status of construction of homes and sale of homes to homeowners, see “THE DEVELOPMENT – Status of Single-Family Lot and Home Development in the District.”

Status of Single-Family Lot and Home Development in the District

The following table shows the number and type of lots within each Improvement Area of the District.

Single-Family Lots within the District⁽¹⁾

Lot Size	Improvement Area #1	Improvement Area #2	Improvement Area #3	Total number of Lots
40'	148	65	54	267
50'	165	134	108	407
Total	313	199	162	674

⁽¹⁾ Provided by the Developer

The Developer’s current expectations regarding the actual and expected build-out and absorption schedule are reflected in the following table:

Actual and Expected Build-Out and Absorption Schedule of the District

Improvement Area	Lot Size	Number of Lots	Actual/Expected Infrastructure Completion Date	Actual/Expected Initial Date of Single-Family Homes Closed with Homeowners ⁽¹⁾	Actual/Expected Final Date of Single-Family Homes Closed with Homeowners ⁽¹⁾
1/Phase 1	40'	79	October 2022	March 2023	September 2023
1/Phase 1	50'	108	October 2022	March 2023	September 2024
1/Phase 2	40'	69	April 2024	February 2024	October 2025
1/Phase 2	50'	57	April 2024	May 2024	October 2026
2	40'	65	March 2025	April 2025	December 2025
2	50'	134	March 2025	April 2025	January 2026
3	40'	54	April 2025	August 2025	December 2025
3	50'	108	April 2025	August 2025	December 2026
Total		674			

⁽¹⁾ As of March 15, 2025. Home sales and closings in each phase of an improvement area began/begin at the completion of the construction of the infrastructure in that phase. Accordingly, home sales and closures may occur prior to the infrastructure completion date for each improvement area. Represents estimated closing dates. Actual closing dates are subject to change. Does not include model homes or hold lots (seven lots including lots near the model homes and lots used for construction trailer and parking).

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The status of lot and home construction and sale of homes to homeowners in the District as of March 15, 2025, is reflected in the following table:

Status of Single-Family Lot and Home Construction in the District ⁽¹⁾

Improvement Area	Lot Size	Lots	Lots Developed	Lots owned by Developer ⁽¹⁾	Homes under Construction	Homes under contract w/ Homebuyer	Homes closed with Homebuyer
1/Phase 1	40'	79	79	3	0	0	76
1/Phase 1	50'	108	108	6	0	0	102
1/Phase 2	40'	69	69	2	0	1	67
1/Phase 2	50'	57	57	0	0	0	57
2	40'	65	65	65	22	9	0
2	50'	134	134	134	41	16	0
3	40'	54	0	54	0	0	0
3	50'	108	0	108	0	0	0
Total		674					

⁽¹⁾ Includes lots with active building permits for home construction.

The Developer's current expectations regarding lot and home prices in Improvement Area #2 and Improvement Area #3 are as follows:

Estimated Lot and Home Prices in Improvement Area #2 and Improvement Area #3

Lot Size	Qty.	Retail Lot Value ⁽¹⁾	Expected Home Price ⁽²⁾
40'	119	n/a	\$281,000
50'	242	n/a	\$308,000
Total/Avg.	361		

⁽¹⁾ The Developer is the only homebuilder in the District and does not expect to sell lots to homebuilders.

⁽²⁾ Provided by Developer based upon recent home sales.

Development Agreement

Pursuant to the Development Agreement, the Developer has the right to construct public improvements for the District, including the Improvement Areas #2-3 Projects, according to certain rules and regulations of the City, and to be reimbursed for a portion of the costs of such construction from the proceeds of the Assessments and/or the Bonds. The Development Agreement provides certain requirements to be met for the issuance of the Bonds and any additional bonds issued for the payment of additional Authorized Improvements (defined in the Development Agreement and the PID Act) (collectively, "PID Bonds"), including (i) the Authorized Improvements to be financed with the proceeds of each series of PID Bonds must be complete; (ii) the final maturity of each series of PID Bonds may not occur later than 30 years from the date of issuance of such PID Bonds; and (iii) the maximum equivalent tax rate, including the PID Assessments associated with the PID Bonds and the City's ad valorem tax rate, less the available TIRZ No. 2 Revenues, may not exceed \$1.10 per \$100 valuation based on the average home value at the time of the levy of the associated assessments.

In addition, the Development Agreement obligated the Developer to complete the following items, all of which have been completed:

- Within 15 days of the later of the creation of the District or TIRZ No. 2, convey approximately 2.1 acres by special warranty deed to the City, at no cost to the City, for use for the construction and maintenance of water storage facilities for the City's water system
- With the submittal of construction phase 1 construction plans, pay \$60,000 to the City as an advance for the payment of planning, design, coordination, appraisal, and related purposes for improvements to Cemetery Road

- Create a mandatory HOA

Improvement Areas #2-3 Reimbursement Agreements

The City and the Developer entered into that certain Agreement for the Construction and Funding of Authorized Improvements and Reimbursement of Advances (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2), effective as of June 18, 2024 (the “Improvement Area #2 Reimbursement Agreement”) and that certain Agreement for the Construction and Funding of Authorized Improvements and Reimbursement of Advances (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #3), effective as of June 18, 2024 (the “Improvement Area #3 Reimbursement Agreement” and, together with the Improvement Area #2 Reimbursement Agreement, the “Improvement Areas #2-3 Reimbursement Agreements”), relating to the obligations of the City to pay the Developer for Actual Costs of Improvement Areas #2-3 Projects previously incurred by the Developer from revenues of the Special Assessments and/or proceeds of the Bonds (the “Reimbursement Obligation”). Upon delivery of the Bonds, the Reimbursement Obligation shall be satisfied and the Improvement Areas #2-3 Reimbursement Agreements will terminate.

Pursuant to the Service and Assessment Plan, the Development Agreement, and the Improvement Areas #2-3 Reimbursement Agreements, the Developer will be responsible for any Actual Costs of Improvement Areas #2-3 Projects in excess of the amounts funded with revenues from the Special Assessments and/or proceeds of the Bonds, without reimbursement by the City. See “THE DEVELOPMENT – Development Agreement.”

Photographs of the Development



View from Southeast Corner of District



View from Southwest Corner of District

Zoning/Permitting

Development of the District is governed by the Development Agreement (including the Concept Plan and Development Standards attached thereto). The Development Agreement allows single-family residential uses and establishes guidelines pertaining to purpose, height, area, setbacks, aesthetics, landscaping, and use. The City's Subdivision Regulations (Ordinance No. 337 and the City of Boyd Standard Specifications and Details for Construction) control the aspects of development not specifically set forth in the Development Agreement.

Education

Students in the District will attend schools in Boyd ISD. Boyd ISD serves the City and other portions of Wise County. Boyd ISD includes Boyd Elementary School (approximately 1.5 miles from the District, Boyd Intermediate and Middle School (approximately 1 mile from the District), and Boyd High School (approximately 0.6 miles from the District).

GreatSchools.org currently rates Boyd Elementary School (grades PK-3) 3 out of 10, Boyd Intermediate School (grades 4-6) 4 out of 10, Boyd Middle School (grades 7-8) 7 out of 10, and Boyd High School (grades 9-12) 7 out of 10. According to the Texas Education Agency annual school report cards, Boyd Elementary School was rated "C," Boyd Intermediate School was "Not Rated," and Boyd Middle School and Boyd High School were rated "B" for the 2021-2022 school year (the last year for which ratings have been published). The categories for public school districts and public schools are A, B, C, and Not Rated (used when the overall score is less than 70).

Environmental

A Phase One Environmental Site Assessment (the "Phase One ESA") of the property within the District was completed on November 6, 2020. 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.

According to the website for the Texas Parks and Wildlife Department, the whooping crane is an endangered species, and the black rail and piping plover are threatened species in Wise County. The Developer is not aware of any endangered or threatened species located in the District.

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

An affiliate of the Developer owns all mineral rights, royalty interests, and groundwater rights to property in the District. The Developer is not aware of any ongoing mineral rights development or exploration on or adjacent to the property within the District. The Developer is not aware of any interest in real property (including mineral rights) owned by the owners adjacent to the District. The City has not adopted an ordinance governing oil and gas drilling operations. However, certain rules and regulations of the Texas Railroad Commission may restrict the ability of the any mineral owners to explore or develop the property due to well density, acreage, or location issues.

Although the Developer does not expect the exercise of mineral or related real property rights in and 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 Developer makes no guarantee as to such expectation. See “BONDHOLDERS’ RISKS – Exercise of Third-Party Property Rights.”

Flood Zone

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), Community Panel Number 48497C0475D, effective December 16, 2011, all of the property within the District lies outside of the 500-year flood plain, referred to as Zone X. See “BONDHOLDERS’ RISKS – Flood Plain and Severe Weather Events.”

Utilities

Water and Wastewater. The City will provide both water and wastewater service to the District. The City’s water distribution system and wastewater collection and treatment system currently have sufficient capacity to provide water and wastewater service to the District. See “THE CITY – Water and Wastewater.”

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

THE DEVELOPER

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

General

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

Description of the Developer

The Developer is a wholly owned subsidiary of D.R. Horton, Inc., a Delaware Corporation (“D.R. Horton”). D.R. Horton is a public company subject to the information requirements of the Securities and Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the Securities Exchange Commission (“SEC”). Reports, proxy statements, and other information filed by D.R. Horton can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Regional Office of the SEC located at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W. Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements, and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at <http://www.sec.gov> that contains reports, proxy information statements, and other information regarding registrants that file electronically with the SEC.

In addition, D.R. Horton makes available on its web site <http://www.drhorton.com> its annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports from Form 8-K (and any amendments to those reports) filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as practicable after they have been electronically filed with the SEC as well as other financial institutions. **Unless otherwise specified, information contained on D.R. Horton’s website, available by hyperlink from D.R. Horton’s website or on the SEC’s website, is not incorporated into this Limited Offering Memorandum.**

NEITHER THE BONDS NOR THE ASSESSMENTS CONSTITUTE INDEBTEDNESS OF, NOR ARE THEY GUARANTEED BY, THE DEVELOPER OR D.R. HORTON.

Biographies of Key Developer Parties

Justin Bosworth, PE (Vice President of Acquisition and Development). Justin Bosworth holds a Bachelor of Science in Civil Engineering from The University of Texas Arlington. Justin has been with D.R. Horton approximately 10 years.

Steve Howard (Senior Project Manager – Land Development). Steve Howard is a University of North Texas alum with over 30 years of experience in the construction/residential development industry. Steve has served as a Project Manager for D.R. Horton for approximately a decade.

History and Financing of the District

As discussed under caption “THE DEVELOPMENT – Development Plan,” the Developer acquired the undeveloped property within the District in May 2021. No third-party financing was used in the acquisition of such property or the construction of the Improvement Areas #2-3 Projects, and no liens are outstanding with respect to such acquisition or construction.

THE PID ADMINISTRATOR

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

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

The PID Administrator's duties will include:

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

BONDHOLDERS' RISKS

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

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

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

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

Deemed Representations and Acknowledgment by Initial Purchasers

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

General Factors relating to Payment of the Bonds

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #2 and Improvement Area #3 of the District to pay Special Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #2 and Improvement Area #3 of the District, and (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.

Assessment Limitations

Annual Installments of Special Assessments are billed to property owners of Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as set forth under "ASSESSMENT PROCEDURES." Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year, interest, and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES." The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Special Assessments 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 #2 and Improvement Area #3, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See "BONDHOLDERS' RISKS – Bondholders' Remedies and Bankruptcy of Property Owners."

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #2 and Improvement Area #3, any Special Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Special Assessments, the liens securing such delinquent ad valorem taxes and delinquent Special Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Special Assessments would then be an unsecured personal liability of the original property owner.

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

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinances. 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 Ordinances ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. It is unclear under State law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinances, no such homestead rights had been or will have been claimed. Furthermore, the Developer

owned 100% of the property within Improvement Area #2 at the time the Improvement Area #2 Assessments were levied, will represent that it owns 100% of the property within Improvement Area #3 at the time the Improvement Area #3 Assessments are levied, and is not eligible to claim homestead rights. Consequently, there are, will be, and can be no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

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

THE SPECIAL ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE ASSESSED PROPERTY, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT, OR MUNICIPALITY AD VALOREM TAXES AND ARE A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF ASSESSED PROPERTY LOCATED WITHIN IMPROVEMENT AREA #2 AND IMPROVEMENT AREA #3.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of Assessed Property within Improvement Area #2 and Improvement Area #3 of the District to pay the Special Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of Improvement Area #2 and Improvement Area #3 currently impose ad valorem taxes on the property within Improvement Area #2 and Improvement Area #3 and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #2 and Improvement Area #3. The imposition of additional liens, whether from taxes, assessments, or private financing, may reduce the ability or willingness of the landowners to pay the Special Assessments. See “OVERLAPPING TAXES AND DEBT.”

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

Failure of the owners of Assessed Property within Improvement Area #2 and Improvement Area #3 of the District to pay the Special Assessments when due could result in the rapid, total depletion of the Reserve Account and the Additional Interest 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 Fund. The Reserve Account of the Reserve Fund will be fully funded from proceeds of the Bonds; however, funding of the Additional Interest Reserve Account of the Reserve Fund is accumulated over time, by the mechanism described in “SECURITY FOR THE BONDS – Additional Interest Reserve Account of the Reserve Fund.” The Indenture provides that if after a withdrawal from the Reserve Account the amounts therein are less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account sufficient to cure such deficiency. The Indenture also provides that if the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment, as described under “SECURITY FOR THE BONDS – Additional Interest Reserve Account of the Reserve Fund.”

Lien Foreclosure and Bankruptcy

The payment of Special Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Special 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 Special

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 Special Assessments might not be paid in full. See “OVERLAPPING TAXES AND DEBT.”

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, and upon the written request of the Owners of not less than 25% of the principal 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 City’s obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Owners of the Bonds cannot themselves foreclose on property within Improvement Area #2 or Improvement Area #3 of the District or sell property within Improvement Area #2 or Improvement Area #3 of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See “BONDHOLDERS’ RISKS – Bankruptcy Limitation to Bondholders’ Rights.”

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

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

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) (“Wasson”), the Texas Supreme Court (the “Court”) addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that “a city’s proprietary functions are not done pursuant to the ‘will of the people’” and protecting such municipalities “via the [S]tate’s immunity is not an efficient way to ensure efficient allocation of [S]tate resources.” While the Court recognized that the distinction between governmental and proprietary functions is not clear, the Wasson opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed Wasson for a second time and issued an opinion on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence

has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

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

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted (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 City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Area #2 or Improvement Area #3 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 Special Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

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

Bankruptcy Limitation to Bondholders' Rights

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

If the City decides in the future to proceed voluntarily under Chapter 9, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of Chapter 9, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under State law are obtained, and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the Owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt. The City cannot predict a Bankruptcy Court's treatment of the Owners' creditor claim and whether an Owner would be repaid in full.

State Law Requiring Notice of Assessment; Failure of Developer to Deliver Required Notice Pursuant to Texas Property Code

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 for the purchase of such real property, 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 purchase contract is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the purchase contract. If the Developer does not provide the required notice and prospective purchasers of property within Improvement Area #2 and Improvement Area #3 terminate a purchase 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 Special Assessments on such property should 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, if the Developer does not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The forms of notice to be provided to homebuyers are attached as Appendix B to the Service and Assessment Plan and will be included in each Annual Service Plan Update. See "APPENDIX C – Form of Service and Assessment Plan."

Potential Future Changes in State Law Regarding Public Improvement Districts

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

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 #2 or Improvement Area #3 subject to the Special Assessments, existing real estate and financial market conditions, and other factors.

No Credit Rating

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

Adverse Developments Affecting the Financial Services Industry

Actual events involving limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, transactional counterparties, or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. In the recent past troubled financial institutions have been closed and/or swept into receivership by the Federal Deposit Insurance Corporation (“FDIC”) or acquired by or received cash rescue packages from more solvent financial institutions. Borrowers under credit agreements, letters of credit, and certain other financial instruments with any financial institution that is placed into receivership by the FDIC may be unable to access undrawn amounts for an unspecified period.

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

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

Risks Related to the Current Residential Real Estate Market

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. It is difficult to determine what effects the on-again, off-again tariffs imposed by the federal administration and retaliatory tariffs against the United States will have on inflation and mortgage interest rates. Downturns in the real estate market, mortgage rates, and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of home sales within Improvement

Area #2 and Improvement Area #3. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Recent Increase in Costs of Building Materials and Labor Shortages

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's on-again, off-again tariffs, threatened impositions of tariffs, and the imposition or threatened imposition of retaliatory tariffs against the United States may impact the ability of the Developer to estimate costs. If the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete construction of homes or pay the Special Assessments when due.

The federal administration's immigration policies may impact the State's workforce. Undocumented construction workers make up a large percentage of construction workers in the State. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages, particularly in construction. Labor shortages will impact the Developer's ability to estimate costs and to construct homes within Improvement Area #2 and Improvement Area #3 of the District.

Completion of Homes

The cost and time for completion of homes by the Developer is uncertain and may be affected by 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 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 Developer.

Absorption Rate

There can be no assurance that the Developer will be able to achieve its anticipated absorption rates. Failure to achieve the absorption rate estimates may adversely affect the estimated value of the District, could impair the economic viability of the District, and could reduce the ability or desire of property owners in Improvement Area #2 and Improvement Area #3 of the District to pay the Special Assessments.

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Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developer, the City, the City's Financial Advisor, or the Underwriter can give any assurance that the building programs of the single-family residential development within the District which are planned will be completed in accordance with the Developer's expectations. The competitive position of the Developer 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.

To the Developer's knowledge, there are no competitive projects within a 5-mile radius of the Development at this time. However, there can be no assurances that other similar single-family residential projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development.

Hazardous Substances

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

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

Further, it is possible that liabilities may arise in the future with respect to any of the land within Improvement Area #2 and Improvement Area #3 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. These possibilities could significantly affect the value of a parcel that is realizable upon a foreclosure.

See "THE DEVELOPMENT – Environmental" for discussion of the Phase One ESA performed on the property within the District.

Regulation

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

Availability of Utilities

The progress of development within the District is also dependent upon the City providing an adequate supply of water and sufficient capacity for the collection and treatment of wastewater, as applicable. If the City 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."

Flood Plains

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), Community Panel Number 48497C0475D, effective December 16, 2011, all of the property within the District lies outside of the range of both the 100-year and 500-year flood plains.

FEMA will from time to time revise its FIRMs. None of the City, the Underwriter, or the Developer makes any representation as to whether FEMA may revise its FIRMs, whether such revisions may result in homes that are currently outside of the 500-year or 100-year flood plain from being included in the 500-year or 100-year flood plain in the future, or whether extreme flooding events may occur more often than assumed in creating the rate maps.

Risk from Weather Events

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

Exercise of Third-Party Property Rights

As described under “THE DEVELOPMENT –Mineral, Groundwater, Easements, and Other Third-Party Property Rights,” all of the mineral rights, royalty interests, and easement reservations located within the District are owned by an affiliate of the Developer.

The Developer does not expect the existence or exercise of any third-party rights in or around the District to have a material adverse effect on the Development, the property within Improvement Area #2 and Improvement Area #3 of the District, or the ability of landowners within Improvement Area #2 and Improvement Area #3 of the District to pay Special Assessments. However, none of the City, the City’s Financial Advisor, or the Underwriter provide any assurances as to such Developer expectations.

Tax-Exempt Status of the Bonds

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

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

As further described in “TAX MATTERS” below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the “Code”) and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit. If an

audit of the Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

Dependence Upon Developer

As of March 15, 2025, the Developer has the obligation for payment of approximately 100% of the Special Assessments. The ability of the Developer to make full and timely payment of the Special Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Special Assessments if necessary, or as to whether the Developer will advance such funds. See “THE DEVELOPER – Description of the Developer.”

The Developer will not guarantee or otherwise be obligated to pay debt service on the Bonds. Payment of the Special Assessments on the Assessed Property will initially be the responsibility of the Developer as the owners of such Assessed Property prior to purchase by homeowners.

TIRZ Annual Credit Amount and Marketing of the Development

The TIRZ No. 2 Revenues are generated only from ad valorem taxes levied and collected by the City on the captured appraisal value in TIRZ No. 2 in any year. Any delay or failure by the Developer to develop Improvement Area #2 and Improvement Area #3 may result in a reduced amount of the TIRZ No. 2 Revenues being available to credit against the Special Assessments. TIRZ No. 2 Revenues generated from the Captured Appraised Value for each parcel in Improvement Area #2 and Improvement Area #3 during the development of such parcel will not result in a TIRZ No. 2 Annual Credit Amount which is sufficient to equal the TIRZ No. 2 Maximum Annual Credit Amount. The ability of the TIRZ No. 2 Annual Credit Amount to equal the TIRZ No. 2 Maximum Annual Credit Amount for parcels within Improvement Area #2 and Improvement Area #3 is dependent on the actual buildout values in Improvement Area #2 and Improvement Area #3 meeting the projections for the estimated buildout value described in the Service and Assessment Plan. If the buildout values in Improvement Area #2 and Improvement Area #3 do not reach the expected values, the TIRZ No. 2 Revenues will not be sufficient to produce the TIRZ No. 2 Maximum Annual Credit Amount. See “OVERLAPPING TAXES AND DEBT” and “APPENDIX C – Form of Service and Assessment Plan.”

The City’s contribution of the TIRZ No. 2 Revenues as a credit against Annual Installments of the Special Assessments results in less tax revenue being deposited into its general fund for use on public services, such as police and fire protection. Application of the TIRZ No. 2 Annual Credit Amount may affect the City’s ability to provide for such basic services.

It is uncertain what impact, if any, the TIRZ No. 2 Annual Credit Amount application to the Annual Installments will have on the underwriting of residential mortgages. If the underwriter of residential mortgages does not recognize the TIRZ No. 2 Annual Credit Amount, it may make it more difficult for a borrower to qualify for a home mortgage which could have a negative impact on home sales and projected absorption.

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TAX MATTERS

Tax Exemption

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

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

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

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

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

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

Tax Accounting Treatment of Discount and Premium on Certain Bonds

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

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

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

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

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

State, Local and Foreign Taxes

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

Changes in Federal and State Tax Law

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

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

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

LEGAL MATTERS

Legal Proceedings

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

Norton Rose Fulbright US LLP serves as Bond Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

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

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed

the information describing the Bonds herein under the captions or subcaptions “PLAN OF FINANCE – The Bonds,” “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS” (except for the last paragraph under the subcaption “General”), “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology” and “Assessment Amounts”), “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS – Legal Proceedings” (first paragraph only), “LEGAL MATTERS – Legal Opinions,” “CONTINUING DISCLOSURE – The City,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS,” and APPENDIX B and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinances, and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinances and the Indenture.

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

Litigation – The City

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

Litigation – The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer or any of its affiliates wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its general partner or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Development Agreement, the Improvement Areas #2-3 Reimbursement Agreements, the Improvement Areas #2-3 Construction, Financing, and Acquisition Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds. Additionally, principals of Developer and their affiliated entities have been (but are not currently) parties to pending and threatened litigation related to their commercial and real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

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 of Property Owners.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by governmental immunity, bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors and enacted before or after such delivery, and by general principles of equity that permit the exercise of judicial discretion.

NO RATING

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

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City, the PID Administrator and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Issuer”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds) to provide, by certain dates prescribed in the Disclosure Agreement of Issuer, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E-1 – Form of Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The City Compliance With Prior Undertakings

In the past five years, the City has complied in all material respects with its continuing disclosure agreements made by it in accordance with the Rule.

The Developer

The Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Developer”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds) to provide, by certain dates prescribed in the Disclosure Agreement of Developer, certain information regarding the Development and the Improvement Areas #2-3 Projects (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX E-2 – Form of Disclosure Agreement of Developer,” Under certain circumstances, the failure of the Developer or the PID Administrator to comply with its obligations under the Disclosure Agreement of Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The Developer has agreed to prepare and provide (i) certain updated information to the PID Administrator, which consultant will prepare and provide such updated information in report form to the Dissemination Agent and (ii) notices of certain specified events, only as provided in the Disclosure Agreement of Developer. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of Developer. The Developer makes no

representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of Developer or from any statement made pursuant to the Disclosure Agreement of Developer.

The Developer's Compliance With Prior Undertakings

In the past five years, the Developer has complied in all material respects with its continuing disclosure agreements made by it in accordance with the Rule.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Bonds from the City at a purchase price of \$_____ (the par amount of the Bonds, less an underwriting discount of \$_____). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

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

INVESTMENTS

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

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City’s account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City’s custodian of the banking deposits issued for the City’s account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above or clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City’s name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers’ acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least “A-1” or “P-1” or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least “A-1” or “P-1” or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at

least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than “AAA” or “AAA-m” or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than ten (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 City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than “A” or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City’s name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

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

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

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the

Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

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

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

documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Areas #2-3 Projects, the Development, and the Developer generally and, in particular, the information included in the sections captioned “PLAN OF FINANCE – Overview,” “– Development Plan,” and “– Developer as Homebuilder,” “OVERLAPPING TAXES AND DEBT – Homeowners’ Association Dues,” “THE IMPROVEMENT AREAS #2-3 PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Areas #2-3 Projects, and the Development), and “LEGAL MATTERS – Litigation – The Developer” have been provided by the Developer.

Experts

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

Updating of Limited Offering Memorandum

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

FORWARD-LOOKING STATEMENTS

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

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

AUTHORIZATION AND APPROVAL

In the Bond Ordinance, the City Council will approve the form and content of this Preliminary Limited Offering Memorandum and authorize this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND THE SURROUNDING AREA

The following information has been provided for informational purposes only.

General

The City is located in Wise County approximately 30 miles northwest of the Dallas-Fort Worth metroplex. Access to the City is provided by State Highway 114 and FM 730. The City covers approximately 4.1 square miles. Some of the services that the City provides are public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, health and social services, culture, recreation, planning and zoning, and general administrative services. The 2020 Census population for the City was 1,416. The City estimates its population as of January 1, 2025, was 2,625.

The City is a political subdivision and Type A general law municipality of the State of Texas (the “State”), duly organized and existing under the laws of the State. The City operates under an Aldermanic form of government with a City Council comprised of the Mayor and six Councilmembers elected for staggered two-year terms, two each from three wards. The City Administrator has been given certain powers and authority by the City Council.

Historical Employment in Wise County (Average Annual)

	Average Annual				
	2024 ⁽¹⁾	2023	2022	2021	2020
Civilian Labor Force	36,354	35,165	34,293	33,255	32,090
Total Employed	35,053	33,880	33,059	31,632	29,988
Total Unemployed	1,301	1,285	1,234	1,623	2,102
Unemployment Rate	3.6%	3.7%	3.6%	4.9%	6.6%

⁽¹⁾ Data through December 2024.

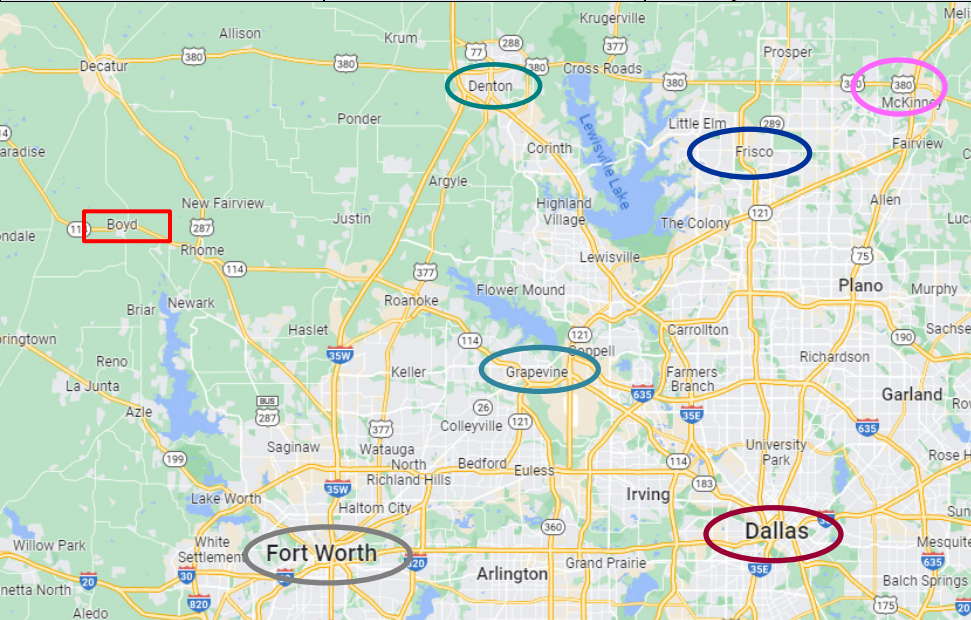
Source: Texas Labor Market Information.

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Surrounding Economic Activity

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

City of Grapevine, TX (2023)		City of Denton, TX (2023)		City of Frisco, TX (2022)		City of Dallas, TX (2023)	
Approximately 32 Miles from Boyd		Approximately 35 Miles from Boyd		Approximately 58 Miles from Boyd		Approximately 57 Miles from Boyd	
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employees
Gaylord Texas Resort & Conv Ctr	2,000	University of North Texas	8,891	Frisco ISD	8,088	UT Southwestern Medical Center	23,817
Dallas/Ft. Worth Int'l Airport	1,970	Denton ISD	4,331	T-Mobile USA	1,800	Dallas ISD	23,271
Grapevine-Colleyville ISD	1,870	Peterbilt Motors-Headquarters & Plant	2,000	City of Frisco	1,688	City of Dallas	16,000
Paycom	990	Denton County	1,822	Keurig Dr. Pepper Inc.	1,100	Southwest Airlines Co	14,618
Baylor Medical	660	Denton State Supported Living Center	1,146	Mario Sinacola & Sons Excavating	935	Parkland Health & Hosp. Sys.	13,000
Great Wolf Lodge	600	City of Denton	1,104	Conifer	903	Medical City Dallas	10,974
City of Grapevine	590	Texas Presbyterian Hospital	1,100	Baylor Medical Center	663	Dallas County Community College	8,230
Boeing Distribution	500	Texas Women's University	1,077	Baylor Scott White/Centennial Hosp.	466	Texas Instruments Inc.	7,722
Hyatt Regency DFW	500	Sally Beauty Holdings, Inc.	1,000	IKEA Frisco	423	Dallas County	6,500
Kubota	450	Medical City Denton	799	UT Southwestern/Texas Health Hosp.	300	Methodist Dallas Medical Center	6,452



City of Fort Worth, TX (2023)	
Approximately 31 Miles from Boyd	
Employer	Employees
AMR Corp./American Airlines	40,600
Lockheed Martin Tactical Aircraft Systems	23,000
Fort Worth ISD	11,300
JPS Health Network/John Peter Smith Hosp.	7,200
City of Fort Worth	7,100
NAS Fort Worth Joint Reserve Base	5,200
Alcon Laboratories Inc.	5,100
Tarrant County College	4,900
Bell Helicopter – Textron Inc.	3,800
Burlington North Santa Fe LLC	2,500

City of McKinney, TX (2023)	
Approximately 76 Miles from Boyd	
Employer	Employees
Raytheon Space & Airborne Systems	4,347
McKinney ISD	2,749
Collin County	2,034
Encore Wire Corp.	1,765
Globe Life	1,600
Independent Financial	1,521
City of McKinney	1,508
Collin College	964
Baylor	788
Medical Center of McKinney	670

Source: The Municipal Advisory Council of Texas.

APPENDIX B
FORM OF INDENTURE

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INDENTURE OF TRUST

By and Between

CITY OF BOYD, TEXAS

and

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

DATED AS OF MAY 1, 2025

SECURING

**\$ _____
CITY OF BOYD, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #2 PROJECT AND IMPROVEMENT AREA #3 PROJECT)**

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1.	Definitions.....	5
Section 1.2.	Findings.....	15
Section 1.3.	Table of Contents, Titles and Headings.	15
Section 1.4.	Interpretation.	15

ARTICLE II

THE BONDS

Section 2.1.	Granting Clauses.....	15
Section 2.2.	Security for the Bonds.	16
Section 2.3.	Limited Obligations.....	17
Section 2.4.	Authorization for Indenture.	17
Section 2.5.	Contract with Owners and Trustee.	17

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1.	Authorization of the Bonds.	17
Section 3.2.	Date, Denomination, Maturities, Numbers and Interest.....	18
Section 3.3.	Conditions Precedent to Delivery of Bonds.	18
Section 3.4.	Medium, Method and Place of Payment.....	19
Section 3.5.	Execution and Registration of Bonds.	20
Section 3.6.	Ownership.	20
Section 3.7.	Registration, Transfer and Exchange.....	21
Section 3.8.	Cancellation.....	22
Section 3.9.	Temporary Bonds.....	22
Section 3.10.	Replacement Bonds.	22
Section 3.11.	Book-Entry Only System.	23
Section 3.12.	Successor Securities Depository: Transfer Outside Book-Entry-Only System.....	24
Section 3.13.	Payments to Cede & Co.	24

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1.	Limitation on Redemption.....	24
Section 4.2.	Mandatory Sinking Fund Redemption.	24

TABLE OF CONTENTS

	Page
Section 4.3.	Optional Redemption.....26
Section 4.4.	Extraordinary Optional Redemption.26
Section 4.5.	Partial Redemption.....26
Section 4.6.	Notice of Redemption to Owners.....27
Section 4.7.	Payment Upon Redemption.28
Section 4.8.	Effect of Redemption.28

ARTICLE V

FORM OF THE BONDS

Section 5.1.	Form Generally.....28
Section 5.2.	CUSIP Registration.29
Section 5.3.	Legal Opinion.29

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1.	Establishment of Funds and Accounts.29
Section 6.2.	Initial Deposits to Funds and Accounts.30
Section 6.3.	Pledged Revenue Fund.....31
Section 6.4.	Bond Fund.....32
Section 6.5.	Project Fund.32
Section 6.6.	Redemption Fund.....34
Section 6.7.	Reserve Fund.....34
Section 6.8.	Rebate Fund; Rebate Amount.....36
Section 6.9.	Administrative Fund.....36
Section 6.10.	Investment of Funds.36
Section 6.11.	Security of Funds.....38

ARTICLE VII

COVENANTS

Section 7.1.	Confirmation of Special Assessments.38
Section 7.2.	Collection and Enforcement of Special Assessments.38
Section 7.3.	Against Encumbrances.....38
Section 7.4.	Records, Accounts, Accounting Reports.39
Section 7.5.	Covenants to Maintain Tax-Exempt Status.39

TABLE OF CONTENTS

Page

ARTICLE VIII

LIABILITY OF CITY

ARTICLE IX

THE TRUSTEE

Section 9.1.	Trustee as Paying Agent/Registrar.....	44
Section 9.2.	Trustee Entitled to Indemnity.....	44

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1.	Amendments Permitted.	48
Section 10.2.	Owners' Meetings.....	50
Section 10.3.	Procedure for Amendment with Written Consent of Owners.....	50
Section 10.4.	Effect of Supplemental Indenture.	51
Section 10.5.	Endorsement or Replacement of Bonds Issued After Amendments.	51
Section 10.6.	Amendatory Endorsement of Bonds.....	51
Section 10.7.	Waiver of Default.	51
Section 10.8.	Execution of Supplemental Indenture.....	51

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1.	Events of Default.	52
Section 11.2.	Immediate Remedies for Default.	52
Section 11.3.	Restriction on Owner's Action.	53
Section 11.4.	Application of Revenues and Other Moneys After Default.	54
Section 11.5.	Effect of Waiver.	54
Section 11.6.	Evidence of Ownership of Bonds.	55
Section 11.7.	No Acceleration.	55
Section 11.8.	Mailing of Notice.	55
Section 11.9.	Exclusion of Bonds.	55

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1.	Representations as to Trust Estate.	56
Section 12.3.	General.....	57

TABLE OF CONTENTS

Page

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1.	Further Assurances; Due Performance.....	57
Section 13.2.	Additional Obligations; Other Liens.	57

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1.	Trust Irrevocable.....	58
Section 14.2.	Satisfaction of Indenture.....	58
Section 14.3.	Bonds Deemed Paid.....	58

ARTICLE XV

MISCELLANEOUS

Section 15.1.	Benefits of Indenture Limited to Parties.....	59
Section 15.2.	Successor is Deemed Included in All References to Predecessor.....	59
Section 15.3.	Execution of Documents and Proof of Ownership by Owners.....	59
Section 15.4.	Waiver of Personal Liability.	60
Section 15.5.	Notices to and Demands on City and Trustee.....	60
Section 15.6.	Partial Invalidity.	61
Section 15.7.	Applicable Laws.....	61
Section 15.8.	Payment on Business Day.	61
Section 15.9.	Counterparts.....	61
Section 15.10.	Statutory Verifications.....	62
EXHIBIT A	A-1

INDENTURE OF TRUST

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

WHEREAS, a petition was submitted and filed with the City Secretary of the City (the "City Secretary") pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), requesting the creation of a public improvement district located within the corporate limits of the City to be known as the City of Boyd, Texas Public Improvement District No. 1 (the "District"); and

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

WHEREAS, on March 19, 2019, after due notice, the City Council of the City (the "City Council") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act; and

WHEREAS, on March 19, 2019, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. R-2019-003-0001, adopted by a majority of the members of the City Council, authorized the creation of the District in accordance with its findings as to the advisability of the improvement projects and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on March 30, 2019 the City published notice of its authorization of the District in the *Wise County Messenger*, a newspaper of general circulation in the City; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after March 30, 2019; and

WHEREAS, the City has previously issued \$8,492,000 City of Boyd, Texas, Special Assessment Revenue Bonds, Series 2024 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #1 Project) (the "Improvement Area #1 Bonds") that are secured by special assessments levied against assessable property located within the first construction phase of the District ("Improvement Area #1"); and

WHEREAS, in the indenture authorizing the issuance of the Improvement Area #1 Bonds, the City reserved the right to issue additional series of bonds as "Additional Obligations" pursuant to other indentures, assessment ordinances, or similar agreements which do not constitute or create a lien on the trust estate and are not payable from pledged revenues which secure, the Improvement Area #1 Bonds; provided that prior to the issuance of such "Additional Obligations"

the requirements set forth in Section 13.2(d) of the indenture authorizing the issuance of the Improvement Area #1 Bonds must be satisfied; and

WHEREAS, on September 3, 2024, the City Council by Resolution No. R-2024-009-001 made findings and determinations relating to the Actual Costs of certain Improvement Area #2 Projects, received and accepted a preliminary service and assessment plan and a proposed assessment roll, called a public hearing for September 17, 2024 and directed City staff to (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail such notice relating to the September 17, 2024 hearing as required by Sections 372.016(b) and 372.016(c) of the PID Act; and

WHEREAS, on September 4, 2024 City staff, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Fort Worth Star-Telegram*, a newspaper of general circulation in the City, to consider the proposed service and assessment plan related to Improvement Area #2, including the Improvement Area #2 Assessment Roll and the levy of the Improvement Area #2 Assessments on property within Improvement Area #2 of the District; and

WHEREAS, City staff, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Improvement Area #2 Assessment Roll, the service and assessment plan related to Improvement Area #2, and the levy of the Improvement Area #2 Assessments on the property within Improvement Area #2 of the District, to the last known address of the owners of the property liable for the Improvement Area #2 Assessments; and

WHEREAS, the City Council opened and convened the hearing on September 17, 2024, and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Improvement Area #2 Assessment Roll and the proposed Improvement Area #2 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #2 Assessments, the allocation of estimated costs of the Improvement Area #2 Projects to the Assessed Parcels within Improvement Area #2 of the District, the purposes of the Improvement Area #2 Assessments, the special benefits of the Improvement Area #2 Projects, and the penalties and interest on Annual Installments of the Improvement Area #2 Assessments and on delinquent Annual Installments of the Improvement Area #2 Assessments; and

WHEREAS, there were no written objections or evidence submitted to the City Secretary in opposition to the service and assessment plan related to Improvement Area #2, the allocation of estimated costs of the Improvement Area #2 Projects to the Assessed Parcels located in Improvement Area #2, the Improvement Area #2 Assessment Roll, and the levy of the Improvement Area #2 Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City approved Ordinance No. O-2024-09-002, which levied the Improvement Area #2 Assessments, and approved the service and assessment plan related to Improvement Area #2, including the Improvement Area #2 Assessment Roll, in conformity with the requirements of the PID Act; and

WHEREAS, the City Secretary of the City filed a copy of the Improvement Area #2 Assessment Ordinance not later than the seventh day after the date the City Council approved

the Improvement Area #2 Assessment Ordinance and the service and assessment plan related to Improvement Area #2 with the County Clerk of Wise County; and

WHEREAS, on March 18, 2025, the City Council by Resolution No. R-2025-_____ made findings and determinations relating to the Actual Costs of certain Improvement Area #3 Projects, received and accepted a preliminary service and assessment plan and a proposed assessment roll, called a public hearing for April 15, 2025 and directed City staff to (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail such notice relating to the April 15, 2025 hearing as required by Sections 372.016(b) and 372.016(c) of the PID Act; and

WHEREAS, on _____, 2025 City staff, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Wise County Messenger*, a newspaper of general circulation in the City, to consider the proposed Service and Assessment Plan, the Improvement Area #3 Assessment Roll and the levy of the Improvement Area #3 Assessments (together with the Improvement Area #2 Assessments, the "Special Assessments") on property within Improvement Area #3 of the District; and

WHEREAS, City staff, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Improvement Area #3 Assessment Roll, the Service and Assessment Plan, and the levy of the Improvement Area #3 Assessments on the property within Improvement Area #3 of the District, to the last known address of the owners of the property liable for the Improvement Area #3 Assessments; and

WHEREAS, the City Council opened and convened the hearing on April 15, 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 #3 Assessment Roll and the proposed Improvement Area #3 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #3 Assessments, the allocation of estimated costs of the Improvement Area #3 Projects to the Assessed Parcels within Improvement Area #3 of the District, the purposes of the Improvement Area #3 Assessments, the special benefits of the Improvement Area #3 Projects, and the penalties and interest on Annual Installments of the Improvement Area #3 Assessments and on delinquent Annual Installments of the Improvement Area #3 Assessments; and

WHEREAS, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Improvement Area #3 Projects to the Assessed Parcels located within Improvement Area #3, the Improvement Area #3 Assessment Roll, and the levy of the Improvement Area #3 Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City approved Ordinance No. O-2025-_____, which levied the Improvement Area #3 Assessments, and approved the Service and Assessment Plan, including the Improvement Area #3 Assessment Roll, in conformity with the requirements of the PID Act; and

WHEREAS, the City Secretary of the City filed a copy of the Improvement Area #3 Assessment Ordinance not later than the seventh day after the date the City Council approved

the Improvement Area #3 Assessment Ordinance and the Service and Assessment Plan with the County Clerk of Wise County; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Special Assessments for the purpose of (i) paying a portion of the Actual Costs of the Improvement Areas #2-3 Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District allocable to Improvement Area #2 and Improvement Area #3, 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 Areas #2-3 Projects and other costs related to the issuance of the Bonds; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act and as Additional Obligations under the indenture authorizing the issuance of the Improvement Area #1 Bonds, such bonds to be entitled "City of Boyd, Texas, Special Assessment Revenue Bonds, Series 2025 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2 Project and Improvement Area #3 Project)", such Bonds being payable solely from the Trust Estate and for the purposes set forth in the preamble of this Indenture; and

WHEREAS, prior to the issuance of the Bonds, evidence satisfactory to the City and its advisors has been presented that the requirement of Section 13.2(d) of the indenture authorizing the issuance of the Improvement Area #1 Bonds have been satisfied and that the Bonds may be issued as Additional Obligations in accordance with such indenture; and

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

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

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

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

"Actual Costs" mean, with respect to an Improvement Areas #2-3 Project, the actual costs of constructing or acquiring an Improvement Areas #2-3 Project, paid by or on behalf of the Developer (either directly or through affiliates), including: (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Improvement Areas #2-3 Project; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Improvement Areas #2-3 Project; (3) the costs 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 Areas #2-3 Project; (5) all related permitting and public approval expenses, architectural, engineering, 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 construction costs if managed by or on behalf of the Developer.

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

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

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

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

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

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

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

“Annual Collection Costs” means the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Special Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming the Bonds; (7) investing or depositing Special Assessments and Annual Installments; (8) complying with the Service and Assessment Plan, the PID Act, and this Indenture, with respect to the Bonds, including the City’s continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with the Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

“Annual Installment” means, with respect to each Assessed Parcel, each annual payment of the Special Assessments (including both principal of and interest on the Special Assessments) and with respect to the Improvement Area #2 Assessments, shown in the table of Improvement Area #2 Annual Installments attached to the Service and Assessment Plan as Exhibit H-2 related to the Improvement Area #2 Projects, and with respect to the Improvement Area #3 Assessments, shown in the table of Improvement Area #3 Annual Installments attached to the Service and Assessment Plan as Exhibit I-3 related to the Improvement Area #3 Projects, which annual payment includes the Annual Collection Costs and the Additional Interest collected on each annual payment of the Special Assessments as described in Section 6.7 herein and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council as required by the PID Act and the Service and Assessment Plan.

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

“Assessed Parcel” means each parcel of land located within either Improvement Area #2 or Improvement Area #3 of the District against which a Special Assessment is levied by one of the Assessment Ordinances in accordance with the Service and Assessment Plan.

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

“Assessment Ordinances” means, collectively, the Improvement Area #2 Assessment Ordinance and the Improvement Area #3 Assessment Ordinance.

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

“Assessment Rolls” means, collectively, the Improvement Area #2 Assessment Roll, attached to the Service and Assessment Plan as Exhibit H-1, and the Improvement Area #3 Assessment Roll attached to the Service and Assessment Plan as Exhibit I-1, or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Special Assessments against each Assessed Parcel related to the Bonds and the Improvement Area #2 Projects and the Improvement Area #3 Projects, respectively, as each may be updated, modified, or amended from time to time, in accordance with the terms of the Service and Assessment Plan and the PID Act.

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

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

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, including, but not limited to the Improvement Areas #2-3 Projects, included in Section III of the Service and Assessment Plan or an Annual Service Plan Update.

“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 City that is nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Date” means the date designated as the initial date of the Bonds by Section 3.2 of this Indenture.

“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, and as applicable, attorney fees, financial advisory fees, consultant fees, initial trustee fee, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter’s discount, underwriter’s counsel, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of the Bonds.

“Bond Ordinance” means Ordinance No. O-2025-__-__ adopted by the City Council on April 15, 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 City’s bonds authorized to be issued by Section 3.1 of this Indenture entitled “City of Boyd, Texas, Special Assessment Revenue Bonds, Series 2025 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2 and Improvement Area #3 Project)”.

“Bond Year” means the one-year period beginning on September 15 in each year and ending on September 14 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 City or 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 Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement or otherwise approved by the Developer and a City Representative executed by a Person approved by a City

Representative, delivered to a City Representative and the Trustee specifying the amount of work performed related to the Improvement Area #2 Project and/or Improvement Area #3 Project and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in an account of the Project Fund, as further described in the Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement and Section 6.5 herein.

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

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

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

“Closing Disbursement Request” means a certificate substantially in the form of **[Exhibit A]** attached to the Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement or otherwise approved by the Developer and a City Representative executed by a City Representative or a Person approved by a City Representative, delivered to a City Representative and the Trustee 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 or other Account of the Project Fund, as further described in Section 6.5 herein.

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

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

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

“Delinquent Collection Costs” means the costs related to the foreclosure on an Assessed Parcel and the costs of collection of delinquent Special 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 interest and penalty interest.

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

“Developer” means D.R. Horton Texas, Ltd., and its successors or assigns.

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

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

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

“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 City from the enforcement of the Special Assessments against any Assessed Parcel(s), whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

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

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

“Improvement Area #1 Bonds” means the City of Boyd, Texas, Special Assessment Revenue Bonds, Series 2024 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #1) secured by assessments levied within Improvement Area #1 of the District.

“Improvement Area #2” means the second phase to be developed within the District and further identified and depicted in Exhibit A-3 in the Service and Assessment Plan.

“Improvement Area #2 Assessment Ordinance” means Ordinance No. O-2024-09-002 adopted by the City Council on September 17, 2024, that levied the Improvement Area #2 Assessments on the Assessed Parcels located within Improvement Area #2 of the District.

“Improvement Area #2 Assessment Roll” means, the Improvement Area #2 Assessment Roll attached as Exhibit H-1 to the Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area #2 Assessments levied against each Assessed Parcel located within Improvement Area #2 and related to the Bonds and the Improvement Area #2 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 #2 Assessments” means the aggregate assessments shown on the Improvement Area #2 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel within Improvement Area #2 of the District, as shown on the Improvement Area #2 Assessment Roll, and is subject to reallocation upon the subdivision of such Assessed Parcels located within Improvement Area #2 of the District or reduction according to the provisions of the Service and Assessment Plan and in the PID Act.

“Improvement Area #2 Improvements” means the Authorized Improvements which only benefit property within Improvement Area #2 of the District, as described in Section III.C of the Service and Assessment Plan.

“Improvement Area #2 Projects Account” means the Account of such name established pursuant to Section 6.1.

“Improvement Area #2 Projects” means, collectively (i) the pro rata portion of the Major Improvements allocable to Improvement Area #2 and (ii) the Improvement Area #2 Improvements.

“Improvement Area #3” means the third phase to be developed within the District and further identified and depicted in Exhibit A-4 in the Service and Assessment Plan.

“Improvement Area #3 Assessment Ordinance means Ordinance No. O-2025-_____-____ adopted by the City Council on April 15, 2025, that levied the Improvement Area #3 Assessments on the Assessed Parcels located within Improvement Area #3 of the District.

“Improvement Area #3 Assessment Roll” means, the Improvement Area #3 Assessment Roll attached as Exhibit I-1 to the Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area #3 Assessments levied against each Assessed Parcel located in Improvement Area #3 related to the Bonds and the Improvement Area #3 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 #3 Assessments” means the aggregate assessments shown on the Improvement Area #3 Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel within Improvement Area #3 of the District, as shown on the Improvement Area #3 Assessment Roll, and is subject to reallocation upon the subdivision of such Assessed Parcels located within Improvement Area #3 of the District or reduction according to the provisions of the Service and Assessment Plan and in the PID Act.

“Improvement Area #3 Improvements” means the Authorized Improvements which only benefit property within Improvement Area #3 of the District, as described in Section III.D of the Service and Assessment Plan.

“Improvement Area #3 Projects Account” means the Account of such name established pursuant to Section 6.1.

“Improvement Area #3 Projects” means, collectively (i) the pro rata portion of the Major Improvements allocable to Improvement Area #3 and (ii) the Improvement Area #3 Improvements.

“Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement” means the “Boyd Springhill South PID Improvement Areas #2-#3 Construction, Funding, and Acquisition Agreement” by and between the City and the Developer dated as of April 15, 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 #2 Projects and the Improvement Area #3 Projects, the issuance of the Bonds, the use of the funds in the Improvement Area #2 Projects Account and the Improvement Area #3 Projects Account, and other matters related thereto.

“Improvement Areas #2-3 Projects” means, collectively, the Improvement Area #2 Projects and the Improvement Area #3 Projects.

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

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

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

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

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

“Major Improvements” means the Authorized Improvements which benefit all of the property within the District, as more particularly described in Section III.A. of the Service and Assessment Plan.

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

“Minor Amount Redemption” means a redemption, pursuant to Section 4.4 of this Indenture, of a principal amount of the 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 City may pledge to the payment of Bonds.

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

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

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

“Purchaser” means the initial purchaser of the Bonds.

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

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

“Record Date” means the last business day of the month next preceding an Interest Payment Date.

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

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

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

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

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

“Reserve Account Requirement” means the least of: (i) Maximum Annual Debt Service on the Bonds, as of the Closing Date of the Bonds, (ii) 125% of average Annual Debt Service on the Bonds, as of the Closing Date of the Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date for the Bonds, the Reserve Account Requirement is \$_____, 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 “City of Boyd, Texas Public Improvement District No. 1 Amended and Restated Service and Assessment Plan” dated April 15, 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.

“Special Assessments” means, collectively, the aggregate Improvement Area #2 Assessments and Improvement Area #3 Assessments as shown on the respective Assessment Rolls. The singular of such term means the Special Assessment levied against an Assessed Parcel, as shown on the respective Assessment Roll or in the Service and Assessment Plan, subject to reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

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

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

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

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

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

“Trustee” means U.S. Bank Trust Company, National Association, Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its

place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

Section 1.2. Findings.

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

Section 1.3. Table of Contents, Titles and Headings.

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

Section 1.4. Interpretation.

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

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

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

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

ARTICLE II

THE BONDS

Section 2.1. Granting Clauses

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

(i) All Pledged Revenues and all moneys and investments held in the Pledged Funds, including any and all proceeds thereof and any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or

investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

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

(b) The Trustee shall have and hold the Trust Estate, whether now owned or hereafter acquired or received by the Trustee and its successors or assigns, in trust upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture. Provided, however, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on all the Bonds at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and shall remain in full force and effect.

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

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

Section 2.2. Security for the Bonds.

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

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

reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.3. Limited Obligations.

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

Section 2.4. Authorization for Indenture.

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

Section 2.5. Contract with Owners and Trustee.

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization of the Bonds.

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 Areas #2-3 Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Improvement Areas #2-3 Projects, and other costs related to the issuance of the Bonds.

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

(a) The Bonds shall be dated May 13, 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 for the Bonds, 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 March 15 and September 15 of each year, commencing September 15, 2025 computed on the basis of a 360-day year of twelve 30-day months.

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

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

- (i) certified copy of the Improvement Area #2 Assessment Ordinance;
- (ii) certified copy of the Improvement Area #3 Assessment Ordinance;
- (iii) a certified copy of the Bond Ordinance;
- (iv) a copy of the executed Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement;
- (v) a copy of this Indenture executed by the Trustee and the City; and
- (vi) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the Purchaser to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating

that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

Section 3.4. Medium, Method and Place of Payment.

(a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.

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

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

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

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

Section 3.5. Execution and Registration of Bonds.

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

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

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, included in the form of Bond attached hereto as Exhibit A, 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, included in the form of Bond attached hereto as Exhibit A, manually or electronically executed by the Comptroller of Public Accounts of the State of Texas, or by his or her duly authorized agent, which certificate shall be evidence that such Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas.

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

Section 3.6. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the relevant Record Date) and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Trustee, nor the Paying Agent/Registrar, shall be bound by any notice or knowledge to the contrary.

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

Section 3.7. Registration, Transfer and Exchange.

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

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

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and bearing the same interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange.

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

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

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

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

Section 3.8. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchanged Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds in accordance with 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 City may execute and, upon the City's request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

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

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

Section 3.10. Replacement Bonds.

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

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

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

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

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

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

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

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

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

Section 3.11. Book-Entry Only System.

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

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

giving notices of redemption and other matters with respect to such Bond, for the purpose of registering a transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

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

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

Section 3.13. Payments to Cede & Co.

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

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

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

Term Bonds Maturing September 15, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__ *	
*Stated Maturity	

Term Bonds Maturing September 15, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__ *	
*Stated Maturity	

Term Bonds Maturing September 15, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__ *	

*Stated Maturity

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

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

(d) The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem Bonds maturing on or after September 15, 20__, before their respective scheduled maturity dates, in whole or in part, on any date on or after September 15, 20__, such redemption date or dates to be fixed by the City, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

Notwithstanding any provision in this Indenture to the contrary, the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, and in an amount and on any date specified in a City Certificate, at the Redemption Price of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to the terms of this Indenture), or 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.

Section 4.5. Partial Redemption.

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

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

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

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

(d) If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds or portion of a Bond, as applicable, to be redeemed shall be selected in the following manner:

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

(ii) with respect to a Minor Amount Redemption, the Outstanding Bonds or Bond, as applicable, 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 exchanged 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 means Cede & Co., as nominee for DTC.

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

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

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

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed pursuant to Section 4.3 or 4.4 hereof on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof; and neither the City, the Trustee, nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 5.3. Legal Opinion.

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

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

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund; and
- (vii) Administrative Fund.

(b) Creation of Accounts.

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

- (A) Bond Pledged Revenue Account.

(ii) The following Account is hereby created and established under the Bond Fund:

(A) Principal and Interest Account.

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

(A) Improvement Area #2 Projects Account;

(B) Improvement Area #3 Projects Account; and

(C) Costs of Issuance Account.

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

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

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

(A) District Administration Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds.

(d) Except as provided 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 Reserve Account of the Reserve Fund: \$_____;

(ii) to the Improvement Area #2 Projects Account of the Project Fund: \$_____;

(iii) to the Improvement Area #3 Projects Account of the Project Fund: \$_____;

(iv) to the Capitalized Interest Account of the Bond Fund: \$_____;

(v) to the Costs of Issuance Account of the Project Fund: \$_____;
and

(vi) 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, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the City shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with Section 6.7(a) hereof, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with Section 6.7(b) hereof, (iv) fourth, to pay Actual Costs of the Improvement Areas #2-3 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 of the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account of the Bond Fund [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 of the Bond Fund first, to the payment of interest and, second, to the payment of principal (including any Sinking Fund Installments) on the Bonds.

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

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

(f) After satisfaction of the requirement to provide for the payment of the principal of 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 City may direct the Trustee, by City Certificate, to apply Special Assessments for any lawful purposes permitted by the PID Act for which Special Assessments may be paid.

(g) Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the City pursuant to a City Certificate, for any

lawful purpose permitted by the PID Act for which such additional Pledged Revenues may be used, including transfers to other Funds and Accounts created pursuant to this Indenture.

Section 6.4. Bond Fund.

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account of the Bond Fund and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and/or interest then due and payable on the Bonds, less any amount to be used to pay the 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 of the Bond Fund are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in Section 6.7(f) hereof. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account of the Bond Fund 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 date and in the following amount:

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

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the date and in the amount listed above shall be transferred to the Improvement Area #3 Projects Account of the Project Fund or otherwise, pursuant to and in accordance with the directions provided in a City Certificate, or, if the Project Fund has been closed as provided in Section 6.5(f) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1 hereof. Money on deposit in the Improvement Area #2 Projects Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #2 Projects and money on deposit in the Improvement Area #3 Projects Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #3 Projects.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates.

(c) Disbursements from the other Accounts of the Project Fund to pay Actual Costs of the Improvement Areas #2-3 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 City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #2 Projects Account of the Project Fund or the Improvement Area #3 Projects Account of the Project Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement

procedures described in the Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement. Such provisions and procedures related to such disbursements contained in the Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement are herein incorporated by reference and deemed set forth herein in full.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in either the Improvement Area #2 Projects Account of the Project Fund or the Improvement Area #3 Projects Account of the Project Fund are not expected to be expended for purposes of the such Account due to the abandonment, or constructive abandonment, of the Improvement Area #2 Projects or the Improvement Area #3 Projects, respectively, such that, in the opinion of the City Representative, it is unlikely that the amounts in either the Improvement Area #2 Projects Account of the Project Fund or the Improvement Area #3 Projects Account of the Project Fund will ever be expended for the respective purposes of such Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #2 Projects Account of the Project Fund and/or the Improvement Area #3 Projects Account of the Project Fund that are not expected to be used for the respective purposes of such Account. If such City Certificate is so filed, the amounts on deposit in the Improvement Area #2 Projects Account of the Project Fund and/or the Improvement Area #3 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.

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

(f) Upon the filing of a City Certificate stating that all Improvement Area #2 Projects have been completed and that all Actual Costs of the Improvement Area #2 Projects have been paid, or that any such Actual Costs of the Improvement Area #2 Projects are not required to be paid from the Improvement Area #2 Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #2 Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund and (ii) shall close the Improvement Area #2 Projects Account. Upon the filing of a City Certificate stating that all Improvement Area #3 Projects have been completed and that all Actual Costs of the Improvement Area #3 Projects have been paid, or that any such Actual Costs of the Improvement Area #3 Projects are not required to be paid from the Improvement Area #3 Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the City or its designee, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #3 Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund and (ii) shall close the Improvement Area #3 Projects Account. If the Improvement Area #2 Projects Account and the Improvement Area #3 Projects Account have been closed as provided above and the Cost of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(g), the Project Fund shall be closed.

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

Section 6.6. Redemption Fund.

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

Section 6.7. Reserve Fund.

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

(b) The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 15 and September 15 of each year, commencing March 15, 2026, an amount equal to the Additional Interest collected, if any, as shown in 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 City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement, then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished to the Additional Interest Reserve Requirement. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Rolls in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

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

(d) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds to be redeemed, as identified in a City Certificate, as a result of such Prepayments and as a result of the transfer from the Reserve Account under this Section 6.7(d), the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of \$1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

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

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

(g) Following the collection of the final Annual Installment of Improvement Area #2 Assessments or the Improvement Area #3 Assessments, respectively, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account related to such Special Assessment, shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds.

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

(i) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount of all Outstanding Bonds on

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

Section 6.8. Rebate Fund; Rebate Amount.

(a) There is hereby established a special fund of the City to be designated "City of Boyd, 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 City and shall not be required to take any action under this Section and Section 7.5(h) in the absence of written instructions from the City.

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

Section 6.9. Administrative Fund.

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

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

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account established pursuant to this Indenture shall be invested by the Trustee, as directed by the City pursuant to a City Certificate, filed with the Trustee at least two days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investments 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 sentences, amounts in the Additional Interest Reserve Account may not be invested

above the Yield (as defined in Section 7.5(a) hereof) on the Bonds, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested in common investments of the kind described above, or in a common pool of such 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 investments 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 City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

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

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

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 Special Assessments.

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

Section 7.2. Collection and Enforcement of Special Assessments.

(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Special 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 Special Assessments.

(b) The City will determine or cause to be determined, no later than March 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Special Assessment or the corresponding Assessed Parcel. Furthermore, nothing shall obligate the City, the City Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, other than that specified in Section 9.6 of this Indenture, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, and except as set forth in Section 13.2 hereof, the City shall not issue any bonds, notes or other evidences of indebtedness other

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

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain Outstanding and unpaid, and/or the obligation to the Developer to pay it for funds it has contributed to pay Actual Costs of the Improvement Areas #2-3 Projects in accordance with the Improvement Areas #2-3 Construction, Funding, and Acquisition Agreement remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Special Assessments. The Trustee and the Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or its duly authorized representative, as applicable. The City shall provide the Trustee or its duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than 30 days after the City receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

"Regulations" means any proposed, temporary or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific

Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

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

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

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

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

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

(d) No Private Loan.

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

Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(ii) The City covenants and agrees that the levied Special 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 Special Assessments continue to meet such requirements for so long as the Bonds are outstanding hereunder.

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

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

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

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

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

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

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Certificate, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value

of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, 100% of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, 90% of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

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

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

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

ARTICLE VIII

LIABILITY OF CITY

The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or Event of Default thereunder.

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

No provision of this Indenture, the Bonds, the Bond Ordinance, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or

approved in connection with the issuance, sale, delivery, or administration of the Bonds (the "Bond Documents"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Annual Collection Costs) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture, the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector, the City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX
THE TRUSTEE

Section 9.1. Trustee as Paying Agent/Registrar.

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

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified, 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 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 District Administration Account of the Administrative Fund, and to the extent money in the District Administration Account is insufficient, from the Pledged Revenue Fund to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the offering documents, this Indenture, or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; or (iv) any calculation of arbitrage or rebate under the Code. The Trustee has the right to act through agents and attorneys.

The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

The Trustee 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 City. 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 Areas #2-3 Projects.

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

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

Section 9.4. Property Held in Trust.

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

Section 9.5. Trustee Protected in Relying on Certain Documents.

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

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

Section 9.6. Compensation.

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

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the Owners of a majority in aggregate outstanding principal amount of the Bonds.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least a majority of the aggregate Outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) the City, so long as the City is not in default under this Indenture. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate Outstanding principal of the Bonds.

Section 9.10. Successor Trustee.

If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 25% of the aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

Unless and until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds, in accordance with the immediately preceding paragraph.

If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

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

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as

Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Trustee to File Continuation Statements.

If necessary, the Trustee shall file or cause to be filed, such continuation statements as are delivered to the Trustee by the City, or on behalf of the City, and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC.

Section 9.14. Construction of Indenture.

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

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, 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 City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws and this Indenture), or (iii) 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 City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

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

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

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

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

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

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

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

Section 10.2. Owners' Meetings.

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

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

The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first-class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

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 City or Bond Counsel, acting on the City's behalf, has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of 60 days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period, provided 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 City, the Trustee, and all Owners of Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.5. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.6. Amendatory Endorsement of Bonds.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.7. Waiver of Default.

With the written consent of at least a majority of the Owners in aggregate principal amount of the Bonds then Outstanding, the Owners may waive non-compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

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

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

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

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

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

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

Section 11.2. Immediate Remedies for Default.

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

(b) THE PRINCIPAL OF AND INTEREST ON THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall

select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the 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 City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

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

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

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

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

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

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

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

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture

to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

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

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

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bonds in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

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

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

Section 11.10. Remedies Not Exclusive.

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

Section 11.11. Direction by Owners.

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

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Pledged Revenues and the Trust Estate are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

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

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

Section 12.2. Books of Records - Accounts.

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

Section 12.3. General.

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

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

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

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

Section 13.2. Additional Obligations; Other Liens.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues. Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds.

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

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

(d) Notwithstanding anything to the contrary herein, Refunding Bonds, Additional Obligations, or subordinate obligations described by Section 13.2(a) above may not be issued

by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds, Additional Obligations, or subordinate obligations are scheduled to mature on September 15 of the years in which principal is scheduled to mature, and (2) the interest on such Refunding Bonds, Additional Obligations or subordinate obligations is scheduled to be paid on March 15 and September 15 of the years in which interest is scheduled to be paid.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

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

Section 14.2. Satisfaction of Indenture.

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

Section 14.3. Bonds Deemed Paid.

All Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee for such purpose, shall be sufficient to pay when due the principal of and interest on 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 City verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance

Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

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

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

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

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

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

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

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

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

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

If to the City:

City of Boyd, Texas
731 E. Rock Island Avenue,
Boyd, Texas 76023
Attn: Finance Director

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 City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual

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

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

Section 15.8. Payment on Business Day.

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

Section 15.9. Counterparts.

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

Section 15.10. Statutory Verifications.

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

(a) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

[Remainder of Page Intentionally Left Blank]

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

CITY OF BOYD, TEXAS

By: _____
Rodney E. Holmes, Mayor

ATTEST:

Daniel Bourgeois, City Secretary

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 CITY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas

CITY OF BOYD, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #2 PROJECT AND IMPROVEMENT AREA #3 PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____%	September 15, 20__	May 13, 2025	_____

The City of Boyd, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

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

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

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in St. Paul, Minnesota (the "Designated Payment/Transfer Office"), of U.S. Bank Trust Company, National Association, as trustee and paying agent/registrar (the "Trustee",

which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

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

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated May 13, 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 May 1, 2025 (the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Improvement Areas #2-3 Projects, (ii) paying a portion of the costs incidental to the organization and administration of the District, and (iii) paying the Bond Issuance Costs, including funding a reserve fund, and paying a portion of the interest on the Bonds during the period of acquisition and construction of the Improvement Areas #2-3 Projects, and other costs related to the issuance of the Bonds.

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

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money

and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of \$100,000 and any multiple of \$1,000 in excess thereof.

The Bonds are subject to sinking fund redemption prior to their Stated Maturities and will be redeemed by the City in part at a price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

Term Bonds Maturing September 15, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__ *	
*Stated Maturity	

Term Bonds Maturing September 15, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__ *	
*Stated Maturity	

Term Bonds Maturing September 15, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment (\$)</u>
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__	
September 15, 20__ *	
<hr/>	
*Stated Maturity	

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

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

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

The City reserves the right and option to redeem the Bonds maturing on or after September 15, 20__ before their scheduled maturity dates, in whole or in part, on any date on or after September 15, 20__, such redemption date or dates to be fixed by the City, at the redemption price of par plus accrued interest to the date of redemption.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, and in an amount and on any date specified in a City Certificate, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, pursuant to the provisions of the Indenture, from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

If less than all of the Bonds are redeemed pursuant to the mandatory sinking fund redemption, optional redemption or extraordinary optional redemption provisions, the Bonds to be redeemed shall be selected in accordance with the terms of the Indenture.

The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denomination, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond redeemed in part.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record

Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City has reserved the right to issue Refunding Bonds and Additional Obligations on the terms and conditions specified in the Indenture.

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

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

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

Mayor, City of Boyd, Texas

City Secretary, City of Boyd, Texas

[City Seal]

(b) Form of Comptroller's Registration Certificate.

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
	§	
THE STATE OF TEXAS	§	

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

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:

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.

Authorized Signatory

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

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

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<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 C

FORM OF SERVICE AND ASSESSMENT PLAN

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City of Boyd, Texas Public Improvement District No. 1

2025 PRELIMINARY AMENDED AND RESTATED SERVICE AND
ASSESSMENT PLAN

MARCH 18, 2025



TABLE OF CONTENTS

Table of Contents	1
Introduction	3
Section I: Definitions	5
Section II: The District	16
Section III: Authorized Improvements.....	16
Section IV: Service Plan	20
Section V: Assessment Plan.....	21
Section VI: Terms of the Assessments.....	29
Section VII: Assessment Roll	35
Section VIII: Additional Provisions.....	36
Section IX: Additional Information	37
Exhibits.....	42
Appendices	43
Exhibit A-1 – Map of the District	44
Exhibit A-2 – Map of Improvement Area #1.....	45
Exhibit A-3 – Map of Improvement Area #2.....	46
Exhibit A-4 – Map of Improvement Area #3.....	47
Exhibit A-5 – Lot Type Classification Map.....	48
Exhibit B – Project Costs.....	49
Exhibit C-1 – Service Plan	50
Exhibit C-2 – Improvement Area #2 Reduction of Assessment	51
Exhibit D – Sources and Uses of Funds.....	52
Exhibit E – Maximum Assessment and Tax Rate Equivalent.....	53
Exhibit F-1 – TIRZ No. 1 Maximum Annual Credit Amount by Lot Type.....	54
Exhibit F-2 – TIRZ No. 2 Maximum Annual Credit Amount by Lot Type.....	55
Exhibit G-1 – Improvement Area #1 Assessment Roll	56
Exhibit G-2 – Improvement Area #1 Annual Installments	65
Exhibit H-1 – Improvement Area #2 Assessment Roll	66
Exhibit H-2 – Improvement Area #2 Annual Installments	72
Exhibit I-1 – Improvement Area #3 Assessment Roll.....	73
Exhibit I-2 – Improvement Area #3 Assessment Roll By Block and Lot.....	74

Exhibit I-3 – Improvement Area #3 Annual Installments.....	79
Exhibit J-1 – Maps of Major Improvements	80
Exhibit J-2 – Maps of Improvement Area #1 Improvements	87
Exhibit J-3 – Maps of Improvement Area #2 Improvements	92
Exhibit J-4 – Maps of Improvement Area #3 Improvements	96
Exhibit K – Form of Notice of Assessment Termination	101
Exhibit L-1 – Springhill Addition Phase 1 Final Plat.....	104
Exhibit L-2 – Springhill Addition Phase 2 Final Plat.....	106
Exhibit L-3 – Springhill Addition Phase 3 Final Plat.....	108
Exhibit M-1 – Debt Service Schedule for Improvement Area #1 Bonds.....	110
Exhibit M-2 – Debt Service Schedule for Improvement Area #2-3 Bonds	111
Exhibit N-1 – District Legal Description	112
Exhibit N-2 – Improvement Area #1 Legal Description.....	115
Exhibit N-3 – Improvement Area #2 Legal Description.....	118
Exhibit N-4 – Improvement Area #3 Legal Description.....	122
Appendix A – Engineer’s Report.....	126
Appendix B – Buyer Disclosures	142
City of Boyd, Texas Public Improvement District No. 1 –Improvement Area #1 Lot Type 1 – Buyer Disclosure	143
City of Boyd, Texas Public Improvement District No. 1 – Improvement Area #1 Lot Type 2 – Buyer Disclosure	149
City of Boyd, Texas Public Improvement District No. 1 – Improvement Area #2 Lot Type 3 – Buyer Disclosure	155
City of Boyd, Texas Public Improvement District No. 1 – Improvement Area #2 Lot Type 4 – Buyer Disclosure	161
City of Boyd, Texas Public Improvement District No. 1 – Improvement Area #3 Initial Parcel – Buyer Disclosure	167
City of Boyd, Texas Public Improvement District No. 1 – Improvement Area #3 Lot Type 5 – Buyer Disclosure	173
City of Boyd, Texas Public Improvement District No. 1 – Improvement Area #3 Lot Type 6 – Buyer Disclosure	179

INTRODUCTION

Capitalized terms used in this 2025 A&R Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this 2025 A&R Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section,” an “Exhibit,” or an “Appendix” shall be a reference to a Section of this 2025 A&R Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this 2025 A&R Service and Assessment Plan for all purposes.

On March 19, 2019, the City Council passed and approved Resolution No. R-2019-003-0001 authorizing the establishment of the District in accordance with the PID Act, which authorization was effective upon the publication on March 30, 2019, in accordance with the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 151.181 acres located within the corporate limits of the City, as described by the legal description on **Exhibit N-1** and depicted on **Exhibit A-1**.

On May 5, 2022, the City Council approved the 2022 Service and Assessment Plan and levied the Improvement Area #1 Assessments to finance the Improvement Area #1 Projects to be constructed for the benefit of the Improvement Area #1 Assessed Property within the District by approving Ordinance No. O-2022-005-0001. The 2022 Service and Assessment Plan identified the Improvement Area #1 Authorized Improvements to be provided by the District, the costs of the Improvement Area #1 Authorized Improvements, the indebtedness to be incurred for the Improvement Area #1 Authorized Improvements, and the manner of assessing the property in the District for the costs of the Improvement Area #1 Authorized Improvements. The City also adopted an Improvement Area #1 Assessment Roll, identifying the Assessment on each Lot within Improvement Area #1, based on the method of assessment identified in the 2022 Service and Assessment Plan.

On August 31, 2023, the City Council approved Ordinance No. O-2023-08-003 approving the 2023 Annual Service Plan Update, which updated the Improvement Area #1 Assessment Roll for 2023.

On January 18, 2024, the City Council approved the 2024 A&R Service and Assessment Plan which served to amend and restate the 2022 Service and Assessment Plan, including all previously approved Annual Service Plan Updates, in its entirety for the purposes of (1) issuing the Improvement Area #1 Bonds; and (2) updating the Improvement Area #1 Assessment Roll.

On September 17, 2024, the City Council approved the 2024 A&R Service and Assessment Plan (September Update) which served to amend and restate the 2024 A&R Service and Assessment Plan in its entirety for the purposes of (1) updating the Improvement Area #1 Assessment Roll; (2) identifying the Improvement Area #2 Authorized Improvements; (3) identifying the costs of

the Improvement Area #2 Authorized Improvements to be provided by the District; (4) identifying the indebtedness to be incurred for the Improvement Area #2 Authorized Improvements, and the manner of assessing the Improvement Area #2 Assessed Property for the costs of the Improvement Area #2 Authorized Improvements; (5) levying the Improvement Area #2 Assessment for the Improvement Area #2 Assessed Property; and (6) approving the Improvement Area #2 Assessment Roll.

This 2025 A&R Service and Assessment Plan serves to amend and restate the 2024 A&R Service and Assessment Plan (September Update) in its entirety for the purposes of (1) identifying the Improvement Area #3 Authorized Improvements to be provided by the District; (2) identifying the costs of the Improvement Area #3 Authorized Improvements; (3) identifying the indebtedness to be incurred for the Improvement Area #3 Authorized Improvements, and the manner of assessing the Improvement Area #3 Assessed Property for the costs of the Improvement Area #3 Authorized Improvements; (4) levying the Improvement Area #3 Assessments for the Improvement Area #3 Assessed Property; (5) issuing the Improvement Area #2-3 Bonds; (6) approving the Improvement Area #3 Assessment Roll; (7) updating the Improvement Area #1 Assessment Roll; and (8) updating the Improvement Area #2 Assessment Roll.

The PID Act requires a Service Plan must (i) cover a period of at least five years; (ii) define the annual indebtedness and projected cost of the Authorized Improvements; and (iii) include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV** and the notice form is attached as **Appendix B**.

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

The PID Act requires an Assessment Roll that states the Assessment against each Parcel as determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Improvement Area #1 Assessment Roll is included as **Exhibit G-1**. The Improvement Area #2 Assessment Roll is included as **Exhibit H-1**. The Improvement Area #3 Assessment Roll is included as **Exhibit I-1**. The Improvement Area #3 Assessment Roll by block and lot is included as **Exhibit I-2** for illustrative purposes only.

SECTION I: DEFINITIONS

“2022 Assessment Ordinance” means Ordinance No. O-2022-005-0001 approved and adopted by the City Council on May 5, 2022, which levied the Improvement Area #1 Assessment against the Improvement Area #1 Assessed Property, and approved the 2022 Service and Assessment Plan.

“2022 Service and Assessment Plan” means the City of Boyd, Texas Public Improvement District No. 1 Service and Assessment Plan that was approved by the City Council on May 5, 2022.

“2023 Annual Service Plan Update” means the Boyd, Texas Public Improvement District No. 1 Service and Assessment Plan 2023 Update, approved by the City Council on August 31, 2023.

“2024 A&R Service and Assessment Plan” means the City of Boyd, Texas Public Improvement District No. 1 2024 Amended and Restated Service and Assessment Plan which the City Council approved on January 18, 2024, in connection with the issuance of the Improvement Area #1 Bonds and which replaced in its entirety the 2022 Service and Assessment Plan as updated by the 2023 Annual Service Plan Update.

“2024 A&R Service and Assessment Plan (September Update)” means the City of Boyd, Texas Public Improvement District No. 1 2024 Amended and Restated Service and Assessment Plan (September Update) which the City Council approved on September 17, 2024, in connection with the levy of the Improvement Area #2 Assessments for Improvement Area #2 Assessed Property and which replaced in its entirety the 2024 A&R Service and Assessment Plan.

“2024 Assessment Ordinance” means Ordinance No. O-2024-09-002 approved and adopted by the City Council on September 17, 2024, which levied the Improvement Area #2 Assessment against Improvement Area #2, and approved the 2024 A&R Service and Assessment Plan (September Update).

“2025 A&R Service and Assessment Plan” means this City of Boyd, Texas Public Improvement District No. 1 2025 Amended and Restated Service and Assessment Plan as updated, amended, and supplemented from time to time, which is to replace in its entirety the 2024 A&R Service and Assessment Plan (September Update).

“2025 Assessment Ordinance” means an ordinance expected to be approved and adopted by the City Council on April 15, 2025, which will levy the Improvement Area #3 Assessment against Improvement Area #3, and approve this 2025 A&R Service and Assessment Plan.

“Actual Costs” mean with respect to Authorized Improvements the actual costs of constructing or acquiring such Authorized Improvements, paid by or on behalf of the Developer (either directly or through affiliates), including: (1) the costs for the design, planning, financing,

administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) the costs for external professional 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 approval expenses, architectural, engineering, 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 construction costs if managed by or on behalf of the Developer.

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

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

“Administrator” means the City or independent firm designated by the City who shall have the responsibilities provided in this 2025 A&R Service and Assessment Plan, any Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this 2025 A&R Service and Assessment Plan, the PID Act, and any Indenture, with respect to the PID Bonds, including the City’s continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) the principal amount of any Assessment; (2) the interest associated with any Assessment; (3) Additional Interest related to the PID Bonds, if applicable; and (4) Annual Collection Costs. The principal and interest amount

of the Annual Installment may be reduced by the TIRZ No. 1 Annual Credit Amount or TIRZ No. 2 Annual Credit Amount, as applicable.

“Annual Service Plan Update” means an update to this 2025 A&R Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

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

“Assessment” means an assessment levied against a Parcel of Assessed Property within the District to pay the costs of certain Authorized Improvements as specified herein, which Assessment is imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, and is subject to reallocation upon the subdivision of such Parcel of Assessed Property or reduction according to the provisions herein and in the PID Act.

“Assessment Ordinance” means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

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

“Assessment Roll” means any assessment roll for the Assessed Property, including the Improvement Area #1 Assessment Roll, the Improvement Area #2 Assessment Roll, and the Improvement Area #3 Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Update or updates prepared in connection with the issuance of PID Bonds. The Improvement Area #1 Assessment Roll is included as **Exhibit G-1**, the Improvement Area #2 Assessment Roll is included as **Exhibit H-1**, and the Improvement Area #3 Assessment Roll is included as **Exhibit I-1**.

“Authorized Improvements” means the improvements authorized by Section 372.003 of the PID Act, as depicted on **Exhibit J-1**, **Exhibit J-2**, **Exhibit J-3**, and **Exhibit J-4**, and described in **Section III**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, including but not limited to, and as applicable, attorney fees, financial advisory fees, consultant fees, initial trustee fee, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter’s discount, underwriter’s counsel, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of any series of PID Bonds.

“City” means the City of Boyd, Texas.

“City Council” means the governing body of the City.

“County” means Wise County, Texas.

“Delinquent Collection Costs” mean costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this 2025 A&R Service and Assessment Plan including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“Developer” means D.R. Horton Texas Ltd., and any successors or assignees thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

“District” means the City of Boyd, Texas Public Improvement District No. 1 containing approximately 151.181 acres located within the corporate limits of the City, and more specifically described in **Exhibit N-1** and depicted on **Exhibit A-1**.

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

“Engineer’s Report” means the report provided by a licensed professional engineer that describes the Improvement Area #1 Improvements, Improvement Area #2 Improvements, Improvement Area #3 Improvements, Major Improvements, and Private Improvements, including their costs, location, and benefit, and is attached hereto as **Appendix A**.

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

“Improvement Area #1” means approximately 77.166 acres located within the District, as more specifically described in **Exhibit N-2** and depicted on **Exhibit A-2**.

“Improvement Area #1 Annual Installment” means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Additional Interest related to the Improvement Area #1 Bonds; and (4) Annual Collection Costs related to Improvement Area #1. The principal and interest of the Improvement Area #1 Annual Installment may be reduced by the TIRZ No. 1 Annual Credit Amount, as described in **Section V.F** below.

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

“Improvement Area #1 Assessment” means an Assessment levied against Improvement Area #1 Assessed Property to pay a portion of the Actual Costs of the Improvement Area #1 Authorized Improvements, which Improvement Area #1 Assessment was imposed pursuant to the 2022 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, and is subject to reallocation upon the subdivision of such Parcel or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

“Improvement Area #1 Assessment Roll” means the Assessment Roll for the Improvement Area #1 Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included in this 2025 A&R Service and Assessment Plan as **Exhibit G-1**.

“Improvement Area #1 Authorized Improvements” means, collectively, (1) the Improvement Area #1 Projects; (2) Bond Issuance Costs associated with the issuance of the Improvement Area #1 Bonds; and (3) the deposit to the administrative fund related to the Improvement Area #1 Bonds.

“Improvement Area #1 Bonds” means those certain “City of Boyd, Texas, Special Assessment Revenue Bonds, Series 2024 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #1 Project)” that are secured by Improvement Area #1 Assessments.

“Improvement Area #1 Improvements” means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property, as further described in **Section III.B** and depicted on **Exhibit J-2**.

“Improvement Area #1 Initial Parcel” means all of the Improvement Area #1 Assessed Property against which the entire Improvement Area #1 Assessment was levied at the time of the City Council approved the 2022 Assessment Ordinance.

“Improvement Area #1 Projects” means, collectively, (1) the pro rata portion of the Major Improvements allocable to Improvement Area #1; and (2) the Improvement Area #1 Improvements.

“Improvement Area #2” means approximately 44.868 acres located within the District, more specifically described in **Exhibit N-3** and depicted on **Exhibit A-3**.

“Improvement Area #2 Annual Installment” means the Annual Installment of the Improvement Area #2 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Additional Interest related to the Improvement Area #2

allocable portion of the outstanding principal amount of the Improvement Area #2-3 Bonds, if applicable; and (4) Annual Collection Costs related to Improvement Area #2, as shown on **Exhibit H-2**. The principal and interest of the Improvement Area #2 Annual Installment may be reduced by the TIRZ No. 2 Annual Credit Amount, as described in **Section V.G** below.

“Improvement Area #2 Assessed Property” means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied.

“Improvement Area #2 Assessment” means an Assessment levied against Improvement Area #2 Assessed Property to pay a portion of the Actual Costs of the Improvement Area #2 Authorized Improvements, which Improvement Area #2 Assessment was imposed pursuant to the 2024 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 Assessment Roll, and is subject to reallocation upon the subdivision of such Parcel or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

“Improvement Area #2 Assessment Roll” means the Assessment Roll for the Improvement Area #2 Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #2 Assessment Roll is included in this 2025 A&R Service and Assessment Plan as **Exhibit H-1**.

“Improvement Area #2 Authorized Improvements” means, collectively, (1) the Improvement Area #2 Projects; (2) the pro rata portion of the Bond Issuance Costs based on the total principal amount of the Improvement Area #2 Assessment, as shown on **Exhibit H-2**, compared to the outstanding principal amount of the Improvement Area #2-3 Bonds; and (3) the pro rata portion of the deposit to the administrative fund based on the total Improvement Area #2 Assessment, as shown on **Exhibit H-2**, compared to the outstanding principal amount of Improvement Area #2-3 Bonds.

“Improvement Area #2 Improvements” means the Authorized Improvements which only benefit the Improvement Area #2 Assessed Property, as further described in **Section III.C** and depicted on **Exhibit J-3**.

“Improvement Area #2 Initial Parcel” means all of the Improvement Area #2 Assessed Property against which the entire Improvement Area #2 Assessment was levied at the time of the City Council approved the 2024 Assessment Ordinance.

“Improvement Area #2 Projects” means, collectively, (1) the pro rata portion of the Major Improvements allocable to Improvement Area #2; and (2) the Improvement Area #2 Improvements.

“Improvement Area #2 Reimbursement Agreement” means that certain “Agreement for the Construction and Funding of Authorized Improvements and Reimbursement of Advances (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2),” effective June 18, 2024, by and between the City and the Developer.

“Improvement Area #2 Reimbursement Obligation” means an amount secured by the Improvement Area #2 Assessments to be paid to the Developer pursuant to the Improvement Area #2 Reimbursement Agreement. The Improvement Area #2 Reimbursement Obligation is anticipated to be satisfied and financed by a portion of the Improvement Area #2-3 Bonds proceeds.

“Improvement Area #2-3 Bonds” means those certain “City of Boyd, Texas Special Assessment Revenue Bonds, Series 2025 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2 Project and Improvement Area #3 Project) that are secured by Improvement Area #2 Assessments and Improvement Area #3 Assessments.

“Improvement Area #3” means approximately 29.147 acres located within the District, more specifically described in **Exhibit N-4** and depicted on **Exhibit A-4**.

“Improvement Area #3 Annual Installment” means the Annual Installment of the Improvement Area #3 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Additional Interest related to the Improvement Area #3 allocable portion of the outstanding principal amount of the Improvement Area #2-3 Bonds, if applicable; and (4) Annual Collection Costs related to Improvement Area #3, as shown on **Exhibit I-3**. The principal and interest of the Improvement Area #3 Annual Installment may be reduced by the TIRZ No. 2 Annual Credit Amount, as described in **Section V.G** below.

“Improvement Area #3 Assessed Property” means any Parcel within Improvement Area #3 against which an Improvement Area #3 Assessment is levied.

“Improvement Area #3 Assessment” means an Assessment expected to be levied against Improvement Area #3 Assessed Property to pay a portion of the Actual Costs of the Improvement Area #3 Authorized Improvements, which Improvement Area #3 Assessment will be imposed pursuant to the 2025 Assessment Ordinance and the provisions herein, as shown on the Improvement Area #3 Assessment Roll, and is subject to reallocation upon the subdivision of such Parcel or reduction pursuant to the provisions set forth in **Section VI** herein and in the PID Act.

“Improvement Area #3 Assessment Roll” means the Assessment Roll for the Improvement Area #3 Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #3 Assessment Roll is included in this 2025 A&R Service and Assessment Plan as **Exhibit I-1**. The

Improvement Area #3 Assessment Roll by block and lot is included as **Exhibit I-2** for illustrative purposes only.

“Improvement Area #3 Authorized Improvements” means, collectively, (1) the Improvement Area #3 Projects; (2) the pro rata portion of the Bond Issuance Costs based on the outstanding principal amount of the Improvement Area #3 Assessment, as shown on **Exhibit I-3**, compared to the outstanding principal amount of the Improvement Area #2-3 Bonds; and (3) the pro rata portion of the deposit to the administrative fund based on the outstanding principal amount of the Improvement Area #3 Assessment, as shown on **Exhibit I-3**, compared to the outstanding principal amount of the Improvement Area #2-3 Bonds.

“Improvement Area #3 Improvements” means the Authorized Improvements which only benefit the Improvement Area #3 Assessed Property, as further described in **Section III.D** and depicted on **Exhibit J-4**.

“Improvement Area #3 Initial Parcel” means all of the Improvement Area #3 Assessed Property against which the entire Improvement Area #3 Assessment will be levied as described in **Exhibit I-1**.

“Improvement Area #3 Projects” means, collectively, (1) the pro rata portion of the Major Improvements allocable to Improvement Area #3; and (2) the Improvement Area #3 Improvements.

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

“LOM” means a certain final Limited Offering Memorandum for use in connection with the offering, sale, and distribution of a certain series of PID Bonds.

“Lot” means (1) for any portion of the District for which a final subdivision plat has been recorded in the plat or filed in the official public records of the County, a tract of land described by “lot” in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the plat or official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A “lot” shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded subdivision plat.

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

further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot, as provided by the Developer, and confirmed by the City Council, as shown on **Exhibit E**, and the anticipated Lot Type classification map is identified on **Exhibit A-5**.

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

“Lot Type 2” means a Lot Type within Improvement Area #1 generally marketed to homebuilders as a 50’ Lot. The buyer disclosure for Lot Type 2 is attached in **Appendix B**.

“Lot Type 3” means a Lot Type within Improvement Area #2 generally marketed to homebuilders as a 40’ Lot. The buyer disclosure for Lot Type 3 is attached in **Appendix B**.

“Lot Type 4” means a Lot Type within Improvement Area #2 generally marketed to homebuilders as a 50’ Lot. The buyer disclosure for Lot Type 4 is attached in **Appendix B**.

“Lot Type 5” means a Lot Type within Improvement Area #3 generally marketed to homebuilders as a 40’ Lot. The buyer disclosure for Lot Type 5 is attached in **Appendix B**.

“Lot Type 6” means a Lot Type within Improvement Area #3 generally marketed to homebuilders as a 50’ Lot. The buyer disclosure for Lot Type 6 is attached in **Appendix B**.

“Major Improvements” means those Authorized Improvements that confer a special benefit to all of the Assessed Property within the District, as further described in **Section III.A.** and depicted on **Exhibit J-1**, and as allocated to Improvement Area #1, Improvement Area #2, and Improvement Area #3.

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

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

“Notice of Assessment Termination” means a document that shall be recorded in the official public records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit K**.

“Parcel” or “Parcels” means a specific property within the District identified by either a tax parcel identification number assigned by the Wise County Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the City.

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

“PID Bonds” means any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

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

“Prepayment Costs” means interest, including Additional Interest and Annual Collection Costs to the date of Prepayment.

“Private Improvements” means improvements that are required to be constructed, or caused to be constructed, by the Developer to deliver final lots and that are not Authorized Improvements. Costs of Private Improvements will not be paid nor reimbursed through the collection of Annual Installments, TIRZ No. 1 Revenues, TIRZ No. 2 Revenues, or from the proceeds of PID Bonds.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

“TIRZ No. 1” means the Reinvestment Zone Number One, City of Boyd, Texas.

“TIRZ No. 1 Annual Credit Amount” is defined in **Section V.F**, which amount shall not annually exceed the TIRZ No. 1 Maximum Annual Credit Amount, and which shall be transferred from the TIRZ No. 1 Fund to the applicable principal and interest account of the pledged revenue fund held by the Trustee and used to reduce the Improvement Area #1 Annual Installment collected to pay the Improvement Area #1 Bonds pursuant to the TIRZ No. 1 Project and Finance Plan and this 2025 A&R Service and Assessment Plan.

“TIRZ No. 1 Fund” means the tax increment fund created pursuant to the TIRZ No. 1 Ordinance where TIRZ No. 1 Revenues are deposited annually.

“TIRZ No. 1 Maximum Annual Credit Amount” means for each Lot Type, the amount of TIRZ No. 1 Revenues that resulted in an equivalent tax rate of \$1.10 per \$100 of assessed value for such Lot Type taking into consideration the City tax rate and the equivalent tax rate of the Improvement Area #1 Annual Installment, taking into consideration the 2021 tax rates and the assumed Estimated Buildout Value at the time the City Council approved the 2022 Assessment Ordinance levying the Improvement Area #1 Assessment, as further described in **Section V.F** and shown on **Exhibit F-1**.

“TIRZ No. 1 Ordinance” means Ordinance No. O-2022-005-0002 adopted by the City Council on May 12, 2022, approving the TIRZ No. 1 Project and Finance Plan authorizing the use of TIRZ No.

1 Revenues for project costs under Chapter 311, Texas Tax Code as amended, and related to certain public improvements as provided for in the TIRZ No. 1 Project and Finance Plan.

“TIRZ No. 1 Project and Finance Plan” means the *Reinvestment Zone Number One, City of Boyd, Texas Final Project and Finance Plan*, dated May 12, 2022.

“TIRZ No. 1 Revenues” means, for each year, the amounts which are deposited in the TIRZ No. 1 Fund pursuant to the TIRZ No. 1 Ordinance and the TIRZ No. 1 Project and Finance Plan.

“TIRZ No. 2” means the Reinvestment Zone Number Two, City of Boyd, Texas.

“TIRZ No. 2 Annual Credit Amount” is defined in **Section V.H**, which amount shall not annually exceed the TIRZ No. 2 Maximum Annual Credit Amount, and which shall be transferred from the TIRZ No. 2 Fund to the applicable principal and interest account of the pledged revenue fund held by the Trustee and used to reduce the Improvement Area #2 Annual Installment and/or Improvement Area #3 Annual Installment collected to pay the Improvement Area #2-3 Bonds pursuant to the TIRZ No. 2 Project and Finance Plan and this 2025 A&R Service and Assessment Plan.

“TIRZ No. 2 Fund” means the tax increment fund created pursuant to the TIRZ No. 2 Ordinance where TIRZ No. 2 Revenues are deposited annually.

“TIRZ No. 2 Maximum Annual Credit Amount” means for each Lot Type, the amount of TIRZ No. 2 Revenues that resulted in an equivalent tax rate of \$1.10 per \$100 of assessed value for such Lot Type taking into consideration the City tax rate and the equivalent tax rate of the applicable Annual Installment, based on the assumed Estimated Buildout Value, at the time the City Council approved the applicable 2024 Assessment Ordinance levying the Improvement Area #2 Assessment and the 2025 Assessment Ordinance levying the Improvement Area #3 Assessment, as further described in **Section V.H** and shown on **Exhibit F-2**.

“TIRZ No. 2 Ordinance” means Ordinance No. O-2023-12-001 adopted by the City Council on December 7, 2023, approving the TIRZ No. 2 Project and Finance Plan authorizing the use of TIRZ No. 2 Revenues for project costs under Chapter 311, Texas Tax Code as amended, and related to certain public improvements as provided for in the TIRZ No. 2 Project and Finance Plan.

“TIRZ No. 2 Project and Finance Plan” means the *Reinvestment Zone Number One, City of Boyd, Texas Final Project and Finance Plan*, dated December 7, 2023.

“TIRZ No. 2 Revenues” means, for each year, the amounts which are deposited in the TIRZ No. 2 Fund pursuant to the TIRZ No. 2 Ordinance and the TIRZ No. 2 Project and Finance Plan.

“Trustee” means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 151.181 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described by the legal description on **Exhibit N-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 674 Lots developed with single-family homes.

Improvement Area #1 includes approximately 77.166 contiguous acres, as described on **Exhibit N-2** and depicted on **Exhibit A-2**. Improvement Area #1 is fully platted, as described in **Section IX.A**, and contains 313 Lots developed with single-family homes (148 single-family homes classified as Lot Type 1, and 165 single-family homes classified as Lot Type 2).

Improvement Area #2 includes approximately 44.868 contiguous acres, as described on **Exhibit N-3** and depicted on **Exhibit A-3**. Improvement Area #2 is fully platted, as described in **Section IX.A**, and contains 199 Lots developed with single-family homes (65 single-family homes classified as Lot Type 3, and 134 single-family homes classified as Lot Type 4).

Improvement Area #3 includes approximately 29.147 contiguous acres, as described on **Exhibit N-4** and depicted on **Exhibit A-4**. Improvement Area #3 is anticipated to include 162 Lots developed with single-family homes (54 single-family homes classified as Lot Type 5, and 108 single-family homes classified as Lot Type 6).

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided in the Engineer's Report by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the City. The budget for the Authorized Improvements is shown on **Exhibit B**.

A. Major Improvements

▪ Streets

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, pavement materials, traffic control, platting, and staking. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within the District.

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control, hydrants, platting, staking, and all necessary appurtenances constructed to City standards required to provide water service to all Lots within the District.

- *Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control, platting, staking, and all necessary appurtenances constructed to City standards required to provide wastewater service to all Lots within the District.

- *Soft Costs*

Costs related to designing, constructing, and installing the Major Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, District Formation Costs, legal fees, and consultants.

B. Improvement Area #1 Improvements

- *Streets*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, barricades, traffic control, platting, and staking. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #1.

- *Water*

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

- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control, manholes, traffic control, detention pond, pond spillway, encasement, removal and replacement of existing pavement, platting, staking, and all necessary appurtenances constructed to City standards required to provide storm drainage for all Lots within Improvement Area #1.

- *Sanitary Sewer*

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

- *Soft Costs*

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

C. Improvement Area #2 Improvements

- *Streets*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, barricades, traffic control, platting, and staking. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #2.

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control, hydrants, platting, staking, steel encasement, and all necessary appurtenances constructed to City standards required to provide water service to all Lots within Improvement Area #2.

- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control, manholes, traffic control, detention pond, pond spillway, encasement, removal and replacement of existing pavement, platting, staking, and all necessary appurtenances constructed to City standards required to provide storm drainage for all Lots within Improvement Area #2.

- *Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control, platting, staking, and all necessary appurtenances

constructed to City standards required to provide wastewater service to all Lots within Improvement Area #2.

- *Soft Costs*

Costs related to designing, constructing, and installing the Improvement Area #2 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, and consultants.

D. Improvement Area #3 Improvements

- *Streets*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, barricades, traffic control, platting, and staking. All related earthwork, excavation, erosion control, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide benefit to each Lot within Improvement Area #3.

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control, hydrants, platting, staking, steel encasement, and all necessary appurtenances constructed to City standards required to provide water service to all Lots within Improvement Area #3.

- *Storm Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control, manholes, traffic control, detention pond, pond spillway, encasement, removal and replacement of existing pavement, platting, staking, and all necessary appurtenances constructed to City standards required to provide storm drainage for all Lots within Improvement Area #3.

- *Sanitary Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control, platting, staking, and all necessary appurtenances constructed to City standards required to provide wastewater service to all Lots within Improvement Area #3.

- *Soft Costs*

Costs related to designing, constructing, and installing the Improvement Area #3 Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, and consultants.

E. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds.

- *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, City costs, fees charged by the Texas Attorney General, original issuance discount, and any other cost or expense directly associated with the issuance of PID Bonds.

F. Other Costs

- *Deposit to Administrative Fund*

Equals the amount necessary to fund the initial Annual Collection Costs for a particular series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also required to include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C-1** summarizes the Service Plan for Improvement Area #1, Improvement Area #2, and Improvement Area #3. Per the PID Act and Section 5.014 of the Texas

Property Code, as amended, this 2025 A&R Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosure for the District. The buyer disclosures are attached hereto as **Appendix B**.

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements and Private Improvements, issue the PID Bonds, and fund the deposit to the administrative fund. The sources and uses of funds shown in **Exhibit D** shall be updated in an Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the City Council may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this 2025 A&R Service and Assessment Plan describes the special benefit received by each Parcel of Assessed Property within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments levied on the Assessed Property for such Authorized Improvements.

The determination by the City Council of the Assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

A. Assessment Methodology

Acting in its legislative capacity and based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has determined that the costs related to the Authorized Improvements shall be allocated and/or apportioned as follows:

- The costs of the Major Improvements have been allocated to each Parcel of Assessed Property pro rata based on the Estimated Buildout Value of each Assessed Property to the Estimated Buildout Value of the District. A portion of the Major Improvements costs were allocated to each Parcel in Improvement Area #1 at the time the 2022 Service and Assessment Plan was approved. The remainder of such Major Improvements costs, after the allocation to Improvement Area #1, were allocated to Improvement Area #2 and Improvement Area #3 at the time the 2024 A&R Service and Assessment Plan (September Update) was approved.
- The costs of the Improvement Area #1 Authorized Improvements were allocated entirely to each Parcel of Improvement Area #1 Assessed Property pro rata based on the Estimated Buildout Value of each Parcel to the Estimated Buildout Value of all Improvement Area #1 Assessed Property at the time of the City Council approved the 2022 Assessment Ordinance.
- The costs of the Improvement Area #2 Authorized Improvements were allocated entirely to each Parcel of Improvement Area #2 Assessed Property pro rata based on the Estimated Buildout Value of each Parcel to the Estimated Buildout Value of all Improvement Area #2 Assessed Property at the time of the City Council approved the 2024 Assessment Ordinance.
- The costs of the Improvement Area #3 Authorized Improvements shall be allocated entirely to each Parcel of Improvement Area #3 Assessed Property based on the ratio of the Estimated Buildout Value of each Parcel designated as Improvement Area #3 Assessed Property to the Estimated Buildout Value of all Improvement Area #3 Assessed Property at the time of approval by the City Council of the 2025 Assessment Ordinance. Currently, the Improvement Area #3 Initial Parcel is the only Parcel within Improvement Area #3, and as such, the Improvement Area #3 Initial Parcel shall be allocated 100% of the Improvement Area #3 Authorized Improvements.

B. Assessments

The Improvement Area #1 Assessment was levied on the Improvement Area #1 Initial Parcel at the time the City Council approved the 2022 Assessment Ordinance and, since subdivided, is currently outstanding in the amount shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit G-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit G-2**, subject to revisions made during any Annual Service Plan Update. Upon division or subdivision of an Improvement Area #1 Assessed Property, the Improvement Area #1 Assessment will be reallocated pursuant to **Section VI**.

The Improvement Area #2 Assessment was levied on the Improvement Area #2 Initial Parcel at the time the City Council approved the 2024 Assessment Ordinance, and, since subdivided, is currently outstanding in the amount shown on the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit H-1**. The projected Improvement Area #2 Annual Installments are shown on **Exhibit H-2**, subject to revisions made during any Annual Service Plan Update. Upon division or subdivision of the Improvement Area #2 Assessed Property, the Improvement Area #2 Assessment will be reallocated pursuant to **Section VI**.

The Improvement Area #3 Assessment shall be levied on the Improvement Area #3 Initial Parcel at the time the City Council approves the 2025 Assessment Ordinance in the amount shown on the Improvement Area #3 Assessment Roll, attached hereto as **Exhibit I-1**. The Improvement Area #3 Assessment Roll by block and lot is included as **Exhibit I-2** for illustrative purposes only. The projected Improvement Area #3 Annual Installments are shown on **Exhibit I-3**, subject to revisions made during any Annual Service Plan Update. Upon division or subdivision of the Improvement Area #3 Initial Parcel, the Improvement Area #3 Assessment will be reallocated pursuant to **Section VI**.

The Maximum Assessment for each Lot Type within the District is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, or Lot Type 6, respectively, exceed the corresponding Maximum Assessment for each Lot Type classification.

C. Findings of Special Benefit

Acting in its legislative capacity and based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, the City Council has found and determined:

- *Improvement Area #1*
 - The costs of the Improvement Area #1 Authorized Improvements equal \$16,180,756, as shown on **Exhibit B**; and
 - The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #1 Authorized Improvements; and
 - At the time the City Council approved the 2022 Service and Assessment Plan, the Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Authorized Improvements, which equaled \$8,984,449, of which \$8,492,000 secured the Improvement Area #1 Bonds as shown on the debt service schedule of the LOM

for the Improvement Area #1 Bonds and is attached hereto as **Exhibit M-1**, and currently outstanding in the amount of \$7,999,000 as further described in **Section IX.C** and shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit G-1**; and

- The special benefit ($\geq \$16,180,756$) and the special benefit expected at the time the City Council approved the 2022 Service and Assessment Plan ($\geq \$16,171,843$) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Authorized Improvements are equal to or greater than the amount of the Improvement Area #1 Assessment (\$8,894,449) levied on the Improvement Area #1 Assessed Property at the time the City Council approved the 2022 Assessment Ordinance for the Improvement Area #1 Authorized Improvements; and
- At the time the City Council approved the 2022 Service and Assessment Plan, the Developer owned 100% of the Improvement Area #1 Initial Parcel, as defined in the 2022 Service and Assessment Plan. The Developer acknowledged that the Improvement Area #1 Authorized Improvements conferred a special benefit on the Improvement Area #1 Initial Parcel and consented to the imposition of the Improvement Area #1 Assessment to pay for the Actual Costs associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described therein and the 2022 Assessment Ordinance; (2) the 2022 Service and Assessment Plan and the 2022 Assessment Ordinance; and (3) the levying of the Improvement Area #1 Assessment on the Improvement Area #1 Initial Parcel.
- *Improvement Area #2*
 - The costs of the Improvement Area #2 Authorized Improvements equal \$9,452,273, as shown on **Exhibit B**; and
 - The Improvement Area #2 Assessed Property receives special benefit from the Improvement Area #2 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #2 Authorized Improvements; and
 - At the time the City Council approved the 2024 A&R Service and Assessment Plan (September Update), the Improvement Area #2 Assessed Property was allocated 100% of the Improvement Area #2 Assessment levied for the Improvement Area #2 Authorized Improvements, which equaled \$6,181,000; of which \$5,565,000¹

¹ See **Exhibit C-2** for the reduction of Assessment per the requirement in the Development Agreement and will no longer be collected from the Improvement Area #2 Assessed Property.

remains outstanding, as shown on the Improvement Area #2 Assessment Roll attached hereto as **Exhibit H-1**; and

- The special benefit ($\geq \$9,452,273$) and the special benefit expected at the time the City Council approved the 2024 Service and Assessment Plan (September Update) ($\geq \$9,503,983$) received by the Improvement Area #2 Assessed Property from the Improvement Area #2 Authorized Improvements are equal to or greater than the amount of the Improvement Area #2 Assessment (\$6,181,000) levied on the Improvement Area #2 Assessed Property at the time the City Council approved the 2024 Assessment Ordinance for the Improvement Area #2 Authorized Improvements; and
- At the time the City Council approved the 2024 A&R Service and Assessment Plan (September Update), the Developer owned 100% of the Improvement Area #2 Initial Parcel. The Developer acknowledged that the Improvement Area #2 Authorized Improvements confer a special benefit on the Improvement Area #2 Initial Parcel and consented to the imposition of the Improvement Area #2 Assessment to pay for the Actual Costs associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2024 Assessment Ordinance; (2) the 2024 A&R Service and Assessment Plan (September Update) and the 2024 Assessment Ordinance; and (3) the levying of the Improvement Area #2 Assessment on the Improvement Area #2 Initial Parcel.
- *Improvement Area #3*
 - The costs of the Improvement Area #3 Authorized Improvements equal \$6,498,724, as shown on **Exhibit B**; and
 - The Improvement Area #3 Assessed Property receives special benefit from the Improvement Area #3 Authorized Improvements equal to or greater than the Actual Cost of the Improvement Area #3 Authorized Improvements; and
 - At the time the City Council approves this 2025 A&R Service and Assessment Plan, the Improvement Area #3 Initial Parcel shall be allocated 100% of the Improvement Area #3 Assessment levied for the Improvement Area #3 Authorized Improvements, which is expected to equal \$4,533,000, as shown on the Improvement Area #3 Assessment Roll attached hereto as **Exhibit I-1**; and
 - The special benefit ($\geq \$6,498,724$) received by the Improvement Area #3 Assessed Property from the Improvement Area #3 Authorized Improvements is equal to or greater than the amount of the Improvement Area #3 Assessment (\$4,533,000)

expected to be levied on the Improvement Area #3 Initial Parcel for the Improvement Area #3 Authorized Improvements; and

- It is anticipated, at the time the City Council approves this 2025 A&R Service and Assessment Plan, the Developer will own 100% of the Improvement Area #3 Initial Parcel. The Developer will acknowledge that the Improvement Area #3 Authorized Improvements confer a special benefit on the Improvement Area #3 Initial Parcel and will consent to the imposition of the Improvement Area #3 Assessment to pay for the Actual Costs associated therewith. The Developer will ratify, confirm, accept, agree to, and approve: (1) the determinations and findings by the City Council as to the special benefits described herein and the 2025 Assessment Ordinance; (2) this 2025 A&R Service and Assessment Plan and the 2025 Assessment Ordinance; and (3) the levying of the Improvement Area #3 Assessment on the Improvement Area #3 Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessments. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments securing each respective series of PID Bonds may exceed the interest rate on each respective series of PID Bonds by the Additional Interest Rate. To the extent required by any Indenture, Additional Interest shall be collected as part of each Annual Installment related to a series of PID Bonds and shall be deposited pursuant to the applicable Indenture.

F. TIRZ No. 1 Annual Credit Amount

The City Council, in accordance with the TIRZ No. 1 Project and Finance Plan, has agreed to use a portion of TIRZ No. 1 Revenues generated on a parcel-by-parcel basis from each Improvement Area #1 Assessed Property to offset a portion of the principal and interest of such property's Improvement Area #1 Assessment.

1. The principal and interest portion of the Improvement Area #1 Annual Installment for an Improvement Area #1 Assessed Property shall be reduced by a TIRZ No. 1 Annual Credit Amount on a parcel-by-parcel basis equal to the TIRZ No. 1 Revenue generated by the Improvement Area #1 Assessed Property for the previous Tax Year (e.g. TIRZ No. 1

Revenue collected from the Assessed Property for Tax Year 2024 shall be applied as the TIRZ No. 1 Annual Credit Amount applicable to the Assessed Property's Annual Installment to be collected in Tax Year 2025), but in no event shall the TIRZ No. 1 Annual Credit Amount exceed the TIRZ No. 1 Maximum Annual Credit Amount shown in **Exhibit F-1** for each applicable Lot Type within Improvement Area #1.

2. The TIRZ No. 1 Maximum Annual Credit Amount available to reduce the Improvement Area #1 Annual Installment for an Improvement Area #1 Assessed Property was calculated for each Lot Type at the time of the 2022 Service and Assessment Plan was approved, as shown on **Exhibit F-1**. The TIRZ No. 1 Maximum Annual Credit Amount was calculated so that the City tax rate, plus the average Improvement Area #1 Annual Installment tax rate equivalent, minus the TIRZ No. 1 Maximum Annual Credit Amount for each Lot Type does not produce an equivalent tax rate for such Lot Type which exceeds the competitive, composite equivalent ad valorem tax rate (\$1.10 per \$100 of assessed value) taking into consideration the 2021 City tax rate and the equivalent tax rate of the Improvement Area #1 Annual Installments, based on assumed Estimated Buildout Values, at the time the City Council approved the 2022 Assessment Ordinance.
3. After the TIRZ No. 1 Annual Credit Amount is applied to provide a credit towards a portion of the principal and interest of the Improvement Area #1 Annual Installment for the Improvement Area #1 Assessed Property by depositing such amount into the principal and interest account of the pledged revenue fund created under the Indenture for the Improvement Area #1 Bonds, any excess TIRZ No. 1 Revenues available from the TIRZ No. 1 Fund shall be held by the City and shall be used in accordance with the TIRZ No. 1 Project and Finance Plan.

G. TIRZ No. 2 Annual Credit Amount

The City Council, in accordance with the TIRZ No. 2 Project and Finance Plan, has agreed to use a portion of TIRZ No. 2 Revenues generated on a parcel-by-parcel basis from each Assessed Property within Improvement Area #2 and Improvement Area #3 to offset a portion of the principal and interest of such property's Assessment.

1. The principal and interest portion of the Improvement Area #2 Annual Installment for an Improvement Area #2 Assessed Property shall be reduced by a TIRZ No. 2 Annual Credit Amount on a parcel-by-parcel basis equal to the TIRZ No. 2 Revenue generated by the Improvement Area #2 Assessed Property for the previous Tax Year (e.g. TIRZ No. 2 Revenue collected from the Assessed Property for Tax Year 2025 shall be applied as the TIRZ No. 2 Annual Credit Amount applicable to the Assessed Property's Annual Installment to be collected in Tax Year 2026), but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the TIRZ No. 2 Maximum Annual Credit Amount shown in **Exhibit F-2** for each applicable Lot Type within Improvement Area #2.

2. The TIRZ No. 2 Maximum Annual Credit Amount available to reduce the Improvement Area #2 Annual Installment for an Improvement Area #2 Assessed Property was calculated for each Lot Type at the time of the 2024 A&R Service and Assessment Plan (September Update) was approved, as shown on **Exhibit F-2**. The TIRZ No. 2 Maximum Annual Credit Amount was calculated so that the City tax rate, plus the average Improvement Area #2 Annual Installment tax rate equivalent, minus the TIRZ No. 2 Maximum Annual Credit Amount for each Lot Type does not produce an equivalent tax rate for such Lot Type which exceeds the competitive, composite equivalent ad valorem tax rate (\$1.10 per \$100 of assessed value) taking into consideration the City tax rate and the equivalent tax rate of the Improvement Area #2 Annual Installments, based on assumed Estimated Buildout Values, at the time the City Council approved the 2024 Assessment Ordinance.
3. The principal and interest portion of the Improvement Area #3 Annual Installment for an Improvement Area #3 Assessed Property shall be reduced by a TIRZ No. 2 Annual Credit Amount on a parcel-by-parcel basis equal to the TIRZ No. 2 Revenue generated by the Improvement Area #3 Assessed Property for the previous Tax Year (e.g. TIRZ No. 2 Revenue collected from the Assessed Property for Tax Year 2025 shall be applied as the TIRZ No. 2 Annual Credit Amount applicable to the Assessed Property's Annual Installment to be collected in Tax Year 2026), but in no event shall the TIRZ No. 2 Annual Credit Amount exceed the TIRZ No. 2 Maximum Annual Credit Amount shown in **Exhibit F-2** for each applicable Lot Type within Improvement Area #3.
4. The TIRZ No. 2 Maximum Annual Credit Amount available to reduce the Improvement Area #3 Annual Installment for an Improvement Area #3 Assessed Property is calculated for each Lot Type, as shown on **Exhibit F-2**. The TIRZ No. 2 Maximum Annual Credit Amount is calculated so that the City tax rate, plus the average Improvement Area #3 Annual Installment tax rate equivalent, minus the TIRZ No. 2 Maximum Annual Credit Amount for each Lot Type does not produce an equivalent tax rate for such Lot Type which exceeds the competitive, composite equivalent ad valorem tax rate (\$1.10 per \$100 of assessed value) taking into consideration the current City tax rate and the equivalent tax rate of the Improvement Area #3 Annual Installments, based on assumed Estimated Buildout Values, at the time the City Council approves the 2025 Assessment Ordinance.
5. After the TIRZ No. 2 Annual Credit Amount is applied to provide a credit towards a portion of the principal and interest of the Annual Installment for the Assessed Property within Improvement Area #2 and Improvement Area #3, any excess TIRZ No. 2 Revenues available from the TIRZ No. 2 Fund shall be held in a segregated account by the City and shall be used in accordance with the TIRZ No. 2 Project and Finance Plan.

SECTION VI: TERMS OF THE ASSESSMENTS

Any reallocation of Assessments as described in this **Section VI** shall be considered an administrative action of the City and will not be subject to the notice or public hearing requirements under the PID Act.

A. Reallocation of Assessments

1. *Upon Division Prior to Recording of Subdivision Plat*

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all of the newly divided Assessed Properties

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, relying on information from homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property, as provided by the Developer. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, and Lot Type 6 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates. The calculation as confirmed by the City Council shall be conclusive and binding.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the Annual Service Plan Update immediately following such reallocation.

2. *Upon Subdivision by a Recorded Subdivision Plat*

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefited Property

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

Prior to the recording of a subdivision plat, the Developer shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Developer, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot. The Estimated Buildout Value for Lot Type 1, Lot Type 2, Lot Type 3, Lot Type 4, Lot Type 5, and Lot Type 6 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update immediately following such reallocation.

3. *Upon Consolidation*

If two or more Lots or Parcels are consolidated into a single Lot or Parcel, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the

City Council in the next Annual Service Plan Update immediately following such consolidation. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C.**

B. Mandatory Prepayment of Assessments

If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefited Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of Assessment Termination," a form of which is attached hereto as **Exhibit K.** At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

C. True-Up of Assessments if Maximum Assessment Exceeded at Plat

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City, or cause to be paid to the City, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement, the Actual Costs of completed Authorized Improvements are less than the Assessments, then (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs that were expended, or (ii) in the event that a related series of PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the project fund created under the Indenture relating to such series of PID Bonds, that are not expected to be used for purposes of the project fund to redeem outstanding PID Bonds, unless otherwise directed by the applicable Indenture. The TIRZ No. 1 Annual Credit

Amount and the TIRZ No. 2 Annual Credit Amount will be reduced in the same proportion as the reduction of Assessments, as applicable. Excess PID Bond proceeds shall be applied to redeem outstanding PID Bonds or as provided in the related Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

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

E. Prepayment of Assessments

The owner of any Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed, or the Annual Service Plan Update has been approved by the City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment. If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed Property; and (4) the City shall provide the owner with a recordable "Notice of Assessment Termination."

If an Assessment on an Assessed Property is prepaid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit G-2** shows the estimated Improvement Area #1 Annual Installments, **Exhibit H-2** shows the estimated Improvement Area #2 Annual Installments, and **Exhibit I-3** shows the estimated Improvement Area #3 Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual

Installment shall be allocated pro rata based on the acreage of the property not including any Non-Benefited Property, as shown by the Wise County Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the City's Financial Advisor shall recalculate the principal and interest on such PID Bonds so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Improvement Area #1 Assessment were due when billed and delinquent if not paid prior to February 1, 2023. The initial Annual Installments of the Improvement Area #2 Assessment were due when billed and delinquent if not paid prior to February 1, 2025. The initial Annual Installments of the Improvement Area #3 Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2026.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs. The City

may provide for other means of collecting the Annual Installments to the extent permitted by the PID Act, or other applicable law.

G. Prepayment as a Result of an Eminent Domain Proceeding or Taking

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the **“Retained Property”**), following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Retained Property after any required Prepayment as set forth below. The owner of the Retained Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this 2025 A&R Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Retained Property, subject to an adjustment in the Assessment applicable to the Retained Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Retained Property exceeds the applicable Maximum Assessment, the owner of the Retained Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Retained Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Retained Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of prepayment, with any remainder credited against the Assessment on the Retained Property.

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres of Retained Property shall be subject to the \$100 Assessment (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Retained Property). If the Administrator determines that the \$100 Assessment reallocated to the Retained Property would exceed the Maximum Assessment, as

applicable, on the Retained Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Retained Property and the Assessment on the Retained Property shall be adjusted to be \$90.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Retained Property notifies the City and the Administrator that the Taking prevents the Retained Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the applicable Maximum Assessment on the Retained Property to support the Estimated Buildout Value requirement. Said owner will remain liable to pay the Annual Installments on both the Taken Property and the Retained Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

SECTION VII: ASSESSMENT ROLL

The Improvement Area #1 Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #2 Assessment Roll is attached as **Exhibit H-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #3 Assessment Roll is attached as **Exhibit I-1**. The Improvement Area #3 Assessment Roll by block and lot is attached as **Exhibit I-2** for illustrative purposes only. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #3 Assessment Roll and Improvement Area #3 Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this 2025 A&R Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, said owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of the year following City Council's approval of the calculation. Otherwise, said owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days of such receipt of a written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this 2025 A&R Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this 2025 A&R Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this 2025 A&R Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this 2025 A&R Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this 2025 A&R Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this 2025 A&R Service and Assessment Plan. Interpretations of this 2025 A&R Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners of Assessed Property and

developers and their successors and assigns. Certain tables in this 2025 A&R Service and Assessment Plan have been rounded to the nearest whole dollar.

D. Form of Buyer Disclosure; Filing Requirements

Per Section 5.014 of the Texas Property Code, as amended, this 2025 A&R Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance approving this 2025 A&R Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this 2025 A&R Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

E. Severability

If any provision of this 2025 A&R Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

SECTION IX: ADDITIONAL INFORMATION

A. Parcel Subdivision

Improvement Area #1

- The final plat of Springhill Addition Phase 1, attached hereto as **Exhibit L-1**, was filed and recorded with the County on July 20, 2022, and consists of 187 residential Lots and 9 Lots of Non-Benefited Property, within Improvement Area #1 of the District.
- The final plat of Springhill Addition Phase 2, attached hereto as **Exhibit L-2**, was filed and recorded with the County on September 6, 2023, and consists of 126 residential Lots and 5 Lots of Non-Benefited Property, within Improvement Area #1 of the District.

See the completed Lot Type classification summary within Improvement Area #1 below:

Improvement Area #1	
Lot Type	Lot Count
Lot Type 1	148
Lot Type 2	165
Total	313

Improvement Area #2

- The final plat of Springhill Addition Phase 3, attached hereto as **Exhibit L-3**, was filed and recorded with the County on August 28, 2024, and consists of 199 residential Lots and 3 Lots of Non-Benefited Property, within Improvement Area #2 of the District.

See the completed Lot Type classification summary within Improvement Area #2 below:

Improvement Area #2	
Lot Type	Lot Count
Lot Type 3	65
Lot Type 4	134
Total	199

B. Lot and Home Sales

Improvement Area #1

Per the Developer, the lot ownership composition is provided below:

- Developer Owned:
 - Lot Type 1: 0 Lots
 - Lot Type 2: 0 Lots
- Homebuilder Owned:
 - Lot Type 1: 1 Lots
 - Lot Type 2: 2 Lots
- End-User Owner:
 - Lot Type 1: 147 Lots
 - Lot Type 2: 163 Lots

Improvement Area #2

Per the Developer, the lot ownership composition is provided below:

- Developer Owned:
 - Lot Type 3: 0 Lots
 - Lot Type 4: 0 Lots
- Homebuilder Owned:
 - Lot Type 3: 65 Lots
 - Lot Type 4: 134 Lots
- End-User Owner:
 - Lot Type 3: 0 Lots
 - Lot Type 4: 0 Lots

See **Appendix B** for the buyer disclosures.

C. Outstanding Assessment

Improvement Area #1

Net of the September 15, 2025 payment, Improvement Area #1 has an outstanding Assessment of \$7,999,000.00.

Improvement Area #2

Net of the September 15, 2025 payment and net of the Improvement Area #2 Assessment reduction, as shown on **Exhibit C-2**, Improvement Area #2 has an outstanding Assessment of \$5,565,000.00.

D. TIRZ No. 1 Annual Credit Amount

The TIRZ No. 1 Annual Credit Amount will be determined as TIRZ No. 1 Revenues are generated and will be reflected on a parcel-by-parcel basis and only be applied to offset a portion of the principal and interest of such Parcel's Annual Installment due 1/31/2026 as described in **Section V.F**. Application of qualifying property tax exemptions may decrease or eliminate the amount of the TIRZ No. 1 Annual Credit Amount on a parcel-by-parcel basis.

E. TIRZ No. 2 Annual Credit Amount

The TIRZ No. 2 Annual Credit Amount will be determined as TIRZ No. 2 Revenues are generated and will be reflected on a parcel-by-parcel basis and only be applied to offset a portion of the principal and interest of such Parcel's Annual Installment due 1/31/2026 as described in **Section V.G**. Application of qualifying property tax exemptions may decrease or eliminate the amount of the TIRZ No. 2 Annual Credit Amount on a parcel-by-parcel basis.

F. Annual Installment Due 1/31/2026

Improvement Area #1

- **Principal and Interest** – The total principal and interest required for the Improvement Area #1 Annual Installment is \$557,213.76
- **Additional Interest** – The total Additional Interest Reserve Requirement, as defined in the applicable Indenture, is equal to \$439,945.00 and has not been met. As such, the Additional Interest Reserve Account will be funded with Additional Interest on the outstanding Improvement Area #1 Assessment, resulting in an Additional Interest amount due of \$39,995.00.
- **Annual Collection Costs** – The cost of administering the District and collecting the Improvement Area #1 Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Improvement Area #1 Assessment remaining

on the Parcel. The total Annual Collection Costs budgeted for the Improvement Area #1 Annual Installment is \$36,357.08.

Improvement Area #1	
Annual Collection Costs Breakdown	
Administration	\$ 28,200.24
City Auditor	1,134.61
Filing Fees	227.38
County Collection	341.00
PID Trustee Fees	3,500.00
Miscellaneous	453.85
Arbitrage Calculation	2,500.00
Total Annual Collection Costs	\$ 36,357.08

Improvement Area #1	
Due January 31, 2026	
Principal	\$ 138,000.00
Interest	419,213.76
TIRZ No. 1 Annual Credit Amount	TBD
Additional Interest	39,995.00
Annual Collection Costs	36,357.08
Total Annual Installment Due	\$ 633,565.84

Improvement Area #2

- **Principal and Interest** – The total principal and interest required for the Improvement Area #2 Annual Installment is \$398,987.50.
- **Additional Interest** – The total Additional Interest Reserve Requirement, as defined in the applicable Indenture, has not been met. As such, the Additional Interest Reserve Account will be funded with Additional Interest on the outstanding Improvement Area #2 Assessment, resulting in an Additional Interest amount due of \$27,825.00.
- **Annual Collection Costs** – The cost of administering the District and collecting the Improvement Area #2 Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Improvement Area #2 Assessment remaining on the Parcel. The total Annual Collection Costs budgeted for the Improvement Area #2 Annual Installment is \$29,656.13.

Improvement Area #2	
Annual Collection Costs Breakdown	
Administration	\$ 18,746.99
City Auditor	754.27
Filing Fees	151.16
County Collection	202.00
PID Trustee Fees	3,500.00
Draw Request Review	5,000.00
Miscellaneous	301.71
Arbitrage Calculation	1,000.00
Total Annual Collection Costs	\$ 29,656.13

Improvement Area #2	
Due January 31, 2026	
Principal	\$ 79,000.00
Interest	319,987.50
TIRZ No. 2 Annual Credit Amount	TBD
Additional Interest	27,825.00
Annual Collection Costs	29,656.13
Total Annual Installment Due	\$ 456,468.63

EXHIBITS

The following Exhibits are attached to and made a part of this 2025 A&R Service and Assessment Plan for all purposes:

Exhibit A-1	Map of the District
Exhibit A-2	Map of Improvement Area #1
Exhibit A-3	Map of Improvement Area #2
Exhibit A-4	Map of Improvement Area #3
Exhibit A-5	Lot Type Classification Map
Exhibit B	Project Costs
Exhibit C-1	Service Plan
Exhibit C-2	Improvement Area #2 Reduction of Assessment
Exhibit D	Sources and Uses of Funds
Exhibit E	Maximum Assessment and Tax Rate Equivalent
Exhibit F-1	TIRZ No. 1 Maximum Annual Credit Amount by Lot Type
Exhibit F-2	TIRZ No. 2 Maximum Annual Credit Amount by Lot Type
Exhibit G-1	Improvement Area #1 Assessment Roll
Exhibit G-2	Improvement Area #1 Annual Installments
Exhibit H-1	Improvement Area #2 Assessment Roll
Exhibit H-2	Improvement Area #2 Annual Installments
Exhibit I-1	Improvement Area #3 Assessment Roll
Exhibit I-2	Improvement Area #3 Assessment Roll by Block and Lot
Exhibit I-3	Improvement Area #3 Annual Installments
Exhibit J-1	Maps of Major Improvements
Exhibit J-2	Maps of Improvement Area #1 Improvements
Exhibit J-3	Maps of Improvement Area #2 Improvements
Exhibit J-4	Maps of Improvement Area #3 Improvements
Exhibit K	Form of Notice of Assessment Termination
Exhibit L-1	Springhill Addition Phase 1 Final Plat
Exhibit L-2	Springhill Addition Phase 2 Final Plat
Exhibit L-3	Springhill Addition Phase 3 Final Plat
Exhibit M-1	Debt Service Schedule for Improvement Area #1 Bonds
Exhibit M-2	Debt Service Schedule for Improvement Area #2-3 Bonds
Exhibit N-1	District Legal Description
Exhibit N-2	Improvement Area #1 Legal Description
Exhibit N-3	Improvement Area #2 Legal Description
Exhibit N-4	Improvement Area #3 Legal Description

APPENDICES

The following Appendices are attached to and made a part of this 2025 A&R Service and Assessment Plan for all purposes:

Appendix A Engineer's Report

Appendix B Buyer Disclosures

EXHIBIT A-1 – MAP OF THE DISTRICT

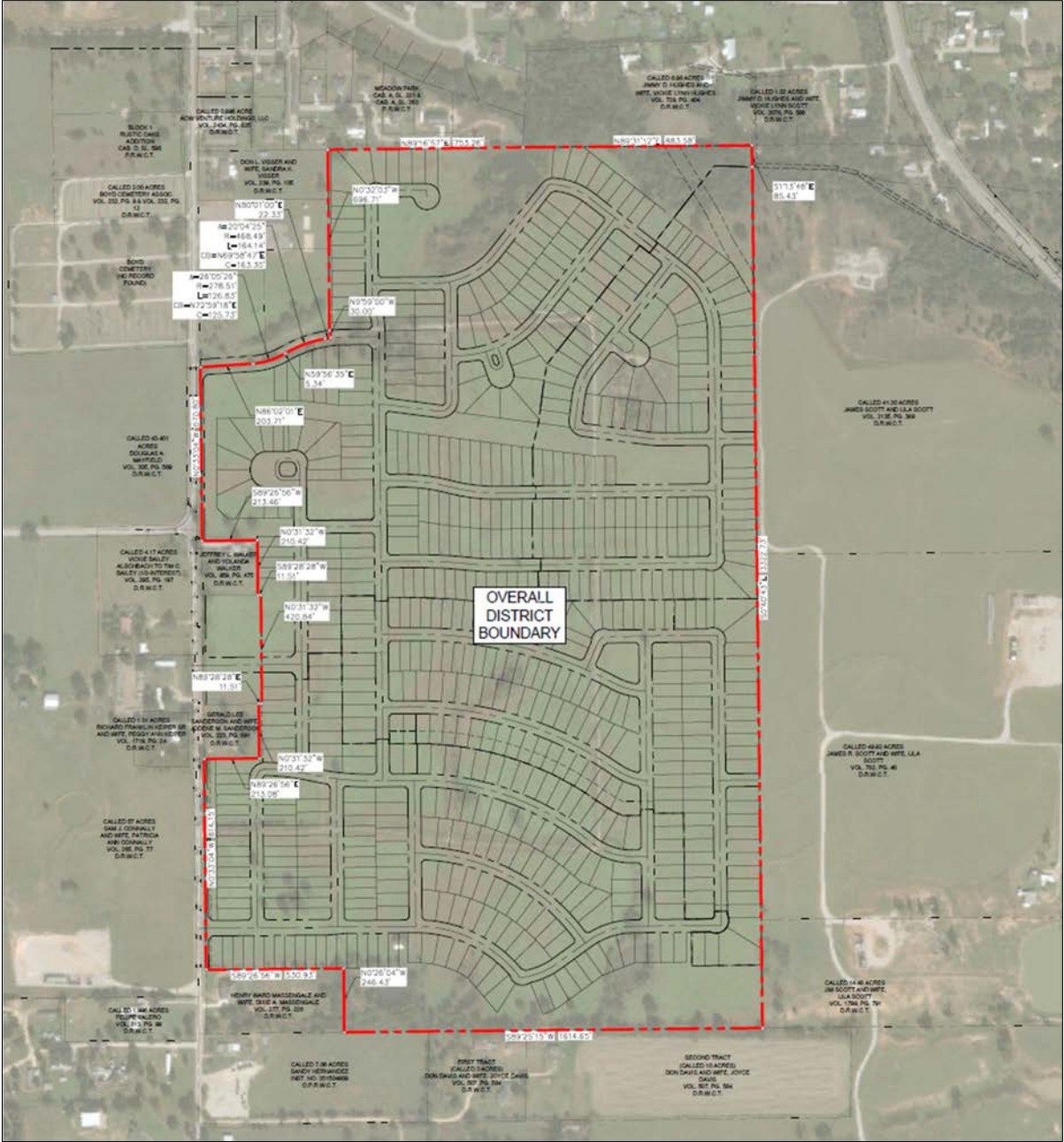


EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1



EXHIBIT A-3 – MAP OF IMPROVEMENT AREA #2

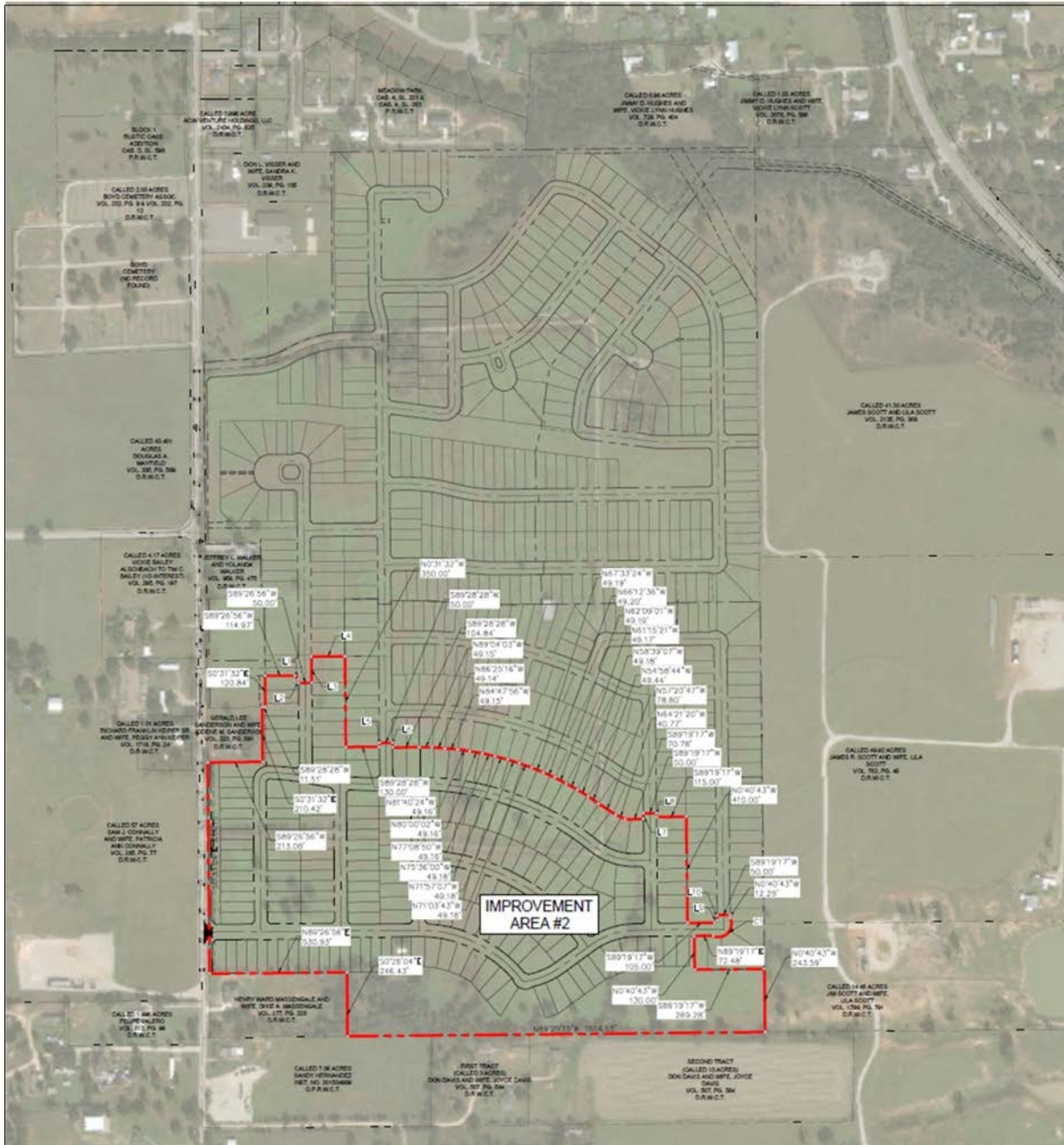


EXHIBIT A-4 – MAP OF IMPROVEMENT AREA #3

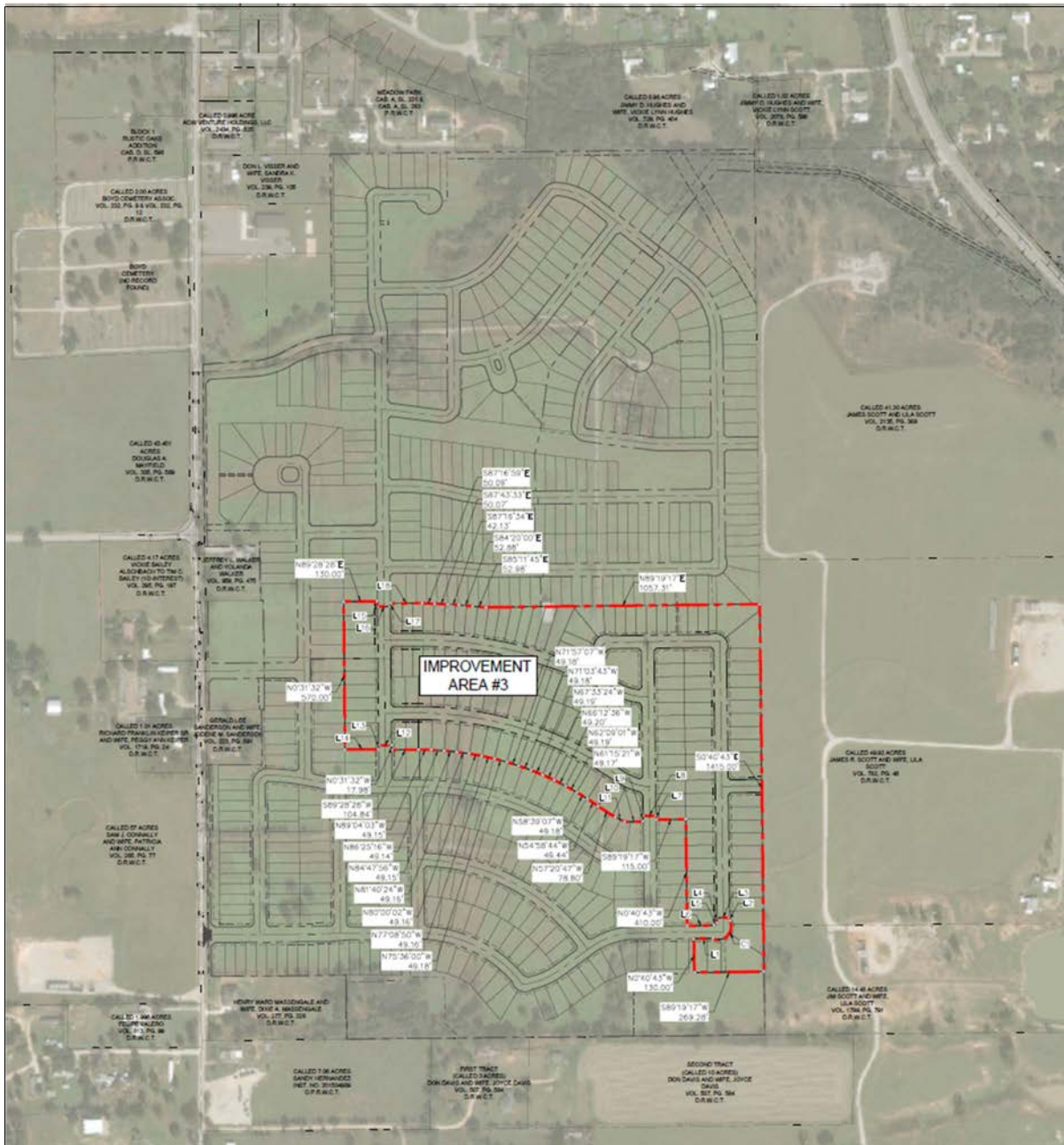


EXHIBIT A-5 – LOT TYPE CLASSIFICATION MAP

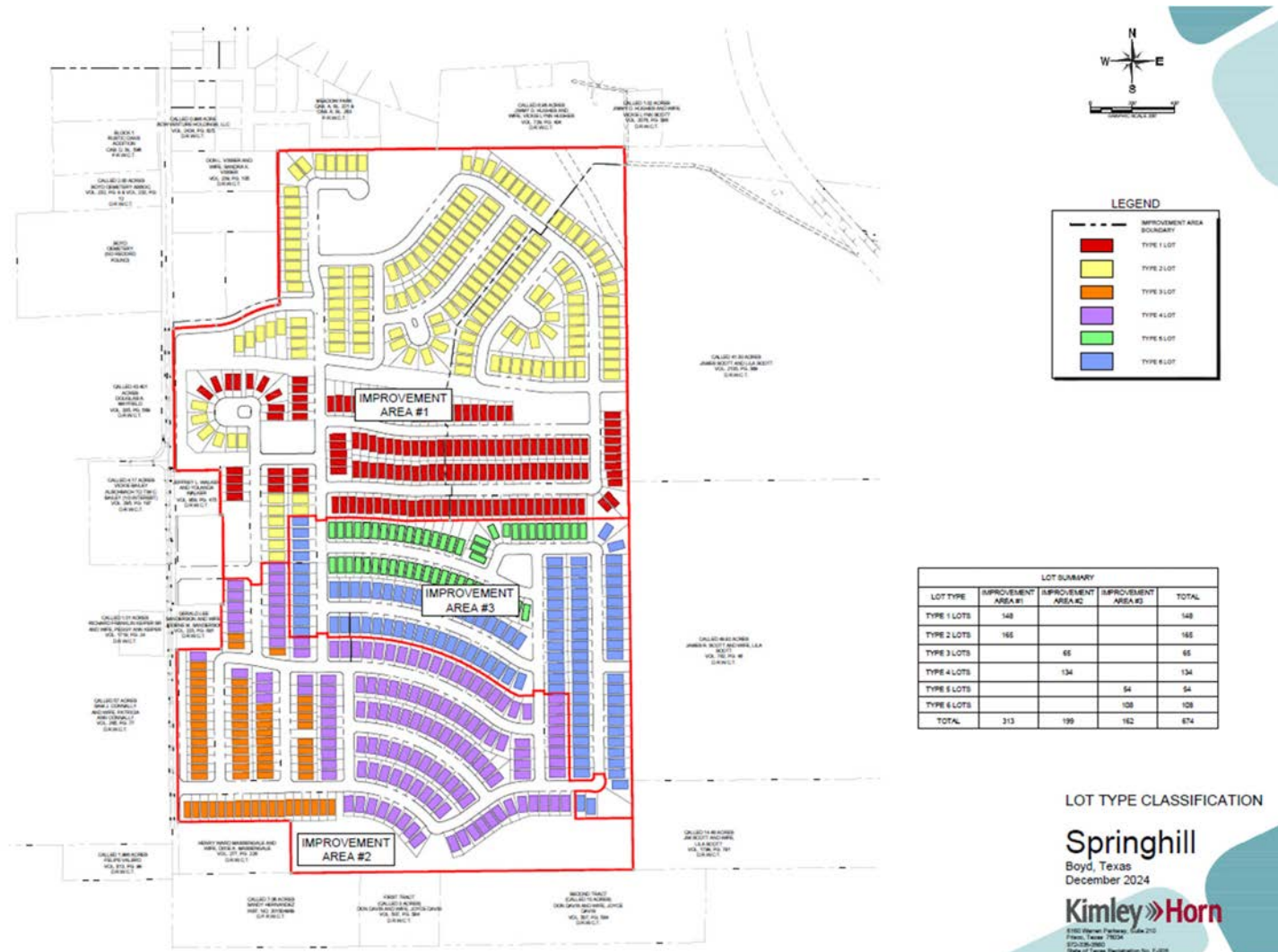


EXHIBIT B – PROJECT COSTS

	Total Costs ^[a]	Private	Authorized Improvements	Improvement Area #1		Improvement Area #2		Improvement Area #3	
				%	Cost	%	Cost	%	Cost
Major Improvements ^[b]									
Streets	\$ 527,500	\$ -	\$ 527,500	45.92%	\$ 242,233	30.06%	\$ 158,564	24.02%	\$ 126,703
Water	577,122	-	577,122	45.92%	265,019	30.06%	173,480	24.02%	138,622
Sanitary Sewer	6,221,402	-	6,221,402	45.92%	2,856,921	30.06%	1,870,126	24.02%	1,494,355
Soft Costs ^[c]	1,549,355	-	1,549,355	45.92%	711,477	30.06%	465,729	24.02%	372,149
	<u>\$ 8,875,379</u>	<u>\$ -</u>	<u>\$ 8,875,379</u>		<u>\$ 4,075,650</u>		<u>\$ 2,667,900</u>		<u>\$ 2,131,829</u>
Improvement Area #1 Improvements									
Streets	\$ 3,276,500	\$ -	\$ 3,276,500	100%	\$ 3,276,500	0.00%	\$ -	0.00%	\$ -
Water	1,575,108	-	1,575,108	100%	1,575,108	0.00%	-	0.00%	-
Storm Drainage	1,654,116	-	1,654,116	100%	1,654,116	0.00%	-	0.00%	-
Sanitary Sewer	2,002,819	-	2,002,819	100%	2,002,819	0.00%	-	0.00%	-
Soft Costs ^[c]	2,346,819	-	2,346,819	100%	2,346,819	0.00%	-	0.00%	-
	<u>\$ 10,855,361</u>	<u>\$ -</u>	<u>\$ 10,855,361</u>		<u>\$ 10,855,361</u>		<u>\$ -</u>		<u>\$ -</u>
Improvement Area #2 Improvements									
Streets	\$ 1,732,487	\$ -	\$ 1,732,487	0.00%	\$ -	100%	\$ 1,732,487	0.00%	\$ -
Water	869,879	-	869,879	0.00%	-	100%	869,879	0.00%	-
Storm Drainage	1,350,120	-	1,350,120	0.00%	-	100%	1,350,120	0.00%	-
Sanitary Sewer	730,892	-	730,892	0.00%	-	100%	730,892	0.00%	-
Soft Costs ^[c]	1,093,319	-	1,093,319	0.00%	-	100%	1,093,319	0.00%	-
	<u>\$ 5,776,696</u>	<u>\$ -</u>	<u>\$ 5,776,696</u>		<u>\$ -</u>		<u>\$ 5,776,696</u>		<u>\$ -</u>
Improvement Area #3 Improvements									
Streets	\$ 1,187,887	\$ -	\$ 1,187,887	0.00%	\$ -	0.00%	\$ -	100%	\$ 1,187,887
Water	573,138	-	573,138	0.00%	-	0.00%	-	100%	573,138
Storm Drainage	555,201	-	555,201	0.00%	-	0.00%	-	100%	555,201
Sanitary Sewer	576,248	-	576,248	0.00%	-	0.00%	-	100%	576,248
Soft Costs ^[c]	685,445	-	685,445	0.00%	-	0.00%	-	100%	685,445
	<u>\$ 3,577,917</u>	<u>\$ -</u>	<u>\$ 3,577,917</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 3,577,917</u>
Private Improvements ^[d]									
Private Improvements	\$ 7,950,695	\$ 7,950,695	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 7,950,695</u>	<u>\$ 7,950,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Bond Issuance Costs ^[e]									
Debt Service Reserve Fund	\$ 1,288,604	\$ -	\$ 1,288,604	\$ 563,370	\$ 408,791	\$ 316,443			
Original Issue Discount	11,615	-	11,615	11,615	-	-			
Underwriter's Discount	463,480	-	463,480	254,760	117,660	91,060			
Underwriter's Counsel	104,360	-	104,360	-	58,830	45,530			
Cost of Issuance	1,058,340	-	1,058,340	380,000	382,395	295,945			
	<u>\$ 2,926,399</u>	<u>\$ -</u>	<u>\$ 2,926,399</u>	<u>\$ 1,209,745</u>	<u>\$ 967,676</u>	<u>\$ 748,978</u>			
Other Costs									
Deposit to Administrative Fund	\$ 120,000	\$ -	\$ 120,000	\$ 40,000	\$ 40,000	\$ 40,000			
	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>			
Total	\$ 40,082,448	\$ 7,950,695	\$ 32,131,753	\$ 16,180,756	\$ 9,452,273	\$ 6,498,724			

Footnotes:

[a] Costs based on the Engineer's Report dated 1/9/2025, attached hereto as **Appendix A**, and subject to change. Authorized Improvement costs are estimates and will be updated with each Annual Service Plan Update, or amended and restated Service and Assessment Plan as appropriate.

[b] The Major Improvement costs were allocated to Improvement Area #1 and apportioned to the property now within Improvement Area #2 and Improvement Area #3 at the time the City Council approved the 2022 Service and Assessment Plan. The costs apportioned to Improvement Area #2 and Improvement Area #3 were allocated to Improvement Area #2 and to the Improvement Area #3 at the time the City Council approved the 2024 A&R Service and Assessment Plan (September Update).

[c] Soft Costs includes engineering, staking, testing, surveying, construction management, and contingency.

[d] Costs required to complete Lots within the District to reach final Lot completion and provided by the Engineer's Report dated 1/9/2025; non-reimbursable to Developer from the collection of Annual Installments, TIRZ No. 1 Revenues, TIRZ No. 2 Revenues, or PID Bonds.

[e] Bond Issuance Costs associated with Improvement Area #1 Bonds have been updated to reflect the actual costs at the time of the 2024 A&R Service and Assessment Plan. Bonds Issuance Costs associated with Improvement Area #2-3 Bonds are preliminary estimates only and subject to change upon pricing.

EXHIBIT C-1 – SERVICE PLAN

		Improvement Area #1				
Annual Installment Due		1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
Principal		\$ 138,000.00	\$ 144,000.00	\$ 150,000.00	\$ 156,000.00	\$ 163,000.00
Interest		419,213.76	413,348.76	407,228.76	400,853.76	394,223.76
TIRZ No. 1 Annual Credit Amount ^[a]		TBD	-	-	-	-
	(1)	\$ 557,213.76	\$ 557,348.76	\$ 557,228.76	\$ 556,853.76	\$ 557,223.76
Additional Interest		\$ 39,995.00	\$ 39,305.00	\$ 38,585.00	\$ 37,835.00	\$ 37,055.00
	(2)					
Annual Collection Costs		\$ 36,357.08	\$ 37,084.22	\$ 37,825.90	\$ 38,582.42	\$ 39,354.07
	(3)					
Total Annual Installment		(4) = (1) + (2) + (3)	\$ 633,565.84	\$ 633,737.98	\$ 633,639.66	\$ 633,271.18
			\$ 633,632.83			

Improvement Area #2							
Annual Installment Due		1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030	
Principal		\$ 79,000.00	\$ 84,000.00	\$ 89,000.00	\$ 94,000.00	\$ 99,000.00	
Interest		319,987.50	315,445.00	310,615.00	305,497.50	300,092.50	
TIRZ No. 2 Annual Credit Amount ^(b)		TBD	-	-	-	-	
	(1)	\$ 398,987.50	\$ 399,445.00	\$ 399,615.00	\$ 399,497.50	\$ 399,092.50	
Additional Interest		(2) \$ 27,825.00	\$ 27,430.00	\$ 27,010.00	\$ 26,565.00	\$ 26,095.00	
Annual Collection Costs		(3) \$ 29,656.13	\$ 30,249.25	\$ 30,854.24	\$ 31,471.32	\$ 32,100.75	
Total Annual Installment		(4) = (1) + (2) + (3)	\$ 456,468.63	\$ 457,124.25	\$ 457,479.24	\$ 457,533.82	\$ 457,288.25

Improvement Area #3							
Annual Installment Due		1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030	
Principal		\$ 62,000.00	\$ 65,000.00	\$ 68,000.00	\$ 72,000.00	\$ 76,000.00	
Interest		261,797.50	258,232.50	254,495.00	250,585.00	246,445.00	
TIRZ No. 2 Annual Credit Amount ^[b]		TBD	-	-	-	-	
	(1)	\$ 323,797.50	\$ 323,232.50	\$ 322,495.00	\$ 322,585.00	\$ 322,445.00	
Additional Interest		\$ 22,765.00	\$ 22,455.00	\$ 22,130.00	\$ 21,790.00	\$ 21,430.00	
	(2)						
Annual Collection Costs		\$ 25,832.05	\$ 26,348.69	\$ 26,875.66	\$ 27,413.17	\$ 27,961.43	
	(3)						
Total Annual Installment		(4) = (1) + (2) + (3)	\$ 372,394.55	\$ 372,036.19	\$ 371,500.66	\$ 371,788.17	\$ 371,836.43

Footnotes:

[a] Each year, the TIRZ No. 1 Revenue generated by each Lot shall be applied to the principal and interest portion of the Annual Installment, up to the Maximum TIRZ No. 1 Annual Credit Amount. The TIRZ No. 1 Annual Credit Amount shall be updated each year in the Annual Service Plan Update as TIRZ No. 1 Revenue is generated. If the County has not rendered its final collections report in any year prior to the Annual Service Plan Update, such amount will be reflected as "TBD" as a part of the Annual Service Plan Update, but the applicable Assessment Roll will be updated to include the TIRZ No. 1 Annual Credit Amount before being submitted to the County for the collection for the next property tax bill.

[b] Each year, the TIRZ No. 2 Revenue generated by each Lot shall be applied to the principal and interest portion of the Annual Installment, up to the Maximum TIRZ No. 2 Annual Credit Amount. The TIRZ No. 2 Annual Credit Amount shall be updated each year in the Annual Service Plan Update as TIRZ No. 2 Revenue is generated. If the County has not rendered its final collections report in any year prior to the Annual Service Plan Update, such amount will be reflected as "TBD" as a part of the Annual Service Plan Update, but the applicable Assessment Roll will be updated to include the TIRZ No. 2 Annual Credit Amount before being submitted to the County for the collection for the next property tax bill.

EXHIBIT C-2 – IMPROVEMENT AREA #2 REDUCTION OF ASSESSMENT

Improvement Area #2		
Reduction of Assessment Since Levy		
Original Assessment levied in 2022	(1)	\$ 6,181,000.00
Principal due in 1/31/2025 Improvement Area #2 Annual Installment ^[a]	(2)	318,000.00
Principal Reduction of Assessment ^[b]	(3)	298,000.00
Net Outstanding Improvement Area #2 Assessment	(4) = (1) - (2) - (3)	\$ 5,565,000.00

Footnotes:

[a] Principal of the Improvement Area #2 Assessment that was billed and collected by the Annual Installment due 1/31/2025, which will be used to make the 9/15/2025 principal payment on the Improvement Area #2-3 Bonds.

[b] Reflects a reduction in principal of the Improvement Area #2 Assessment in order to align with the requirements of the Development Agreement. Such Assessment reduction will not be reimbursed to the Developer for the Authorized Improvements.

EXHIBIT D – SOURCES AND USES OF FUNDS

	Privately Funded	Improvement Area #1	Improvement Area #2	Improvement Area #3
Sources of Funds				
Improvement Area #1 Reimbursement Obligation	\$ -	\$ 492,449	\$ -	\$ -
Improvement Area #1 Bonds	-	8,492,000	-	-
Improvement Area #2 Principal Reduction ^[a]	-	-	298,000	-
Improvement Area #2-3 Bonds	-	-	5,883,000	4,553,000
Developer Contribution - Improvement Area #1 Improvements ^[b]	-	7,196,307	-	-
Developer Contribution - Improvement Area #2 Improvements ^[b]	-	-	3,271,273	-
Developer Contribution - Improvement Area #3 Improvements ^[b]	-	-	-	1,945,724
Developer Contribution - Private Improvements ^[b]	7,950,695	-	-	-
Total Sources	\$ 7,950,695	\$ 16,180,756	\$ 9,452,273	\$ 6,498,724
Uses of Funds				
Major Improvements	\$ -	\$ 4,075,650	\$ 2,667,900	\$ 2,131,829
Improvement Area #1 Improvements	-	10,855,361	-	-
Improvement Area #2 Improvements	-	-	5,776,696	-
Improvement Area #3 Improvements	-	-	-	3,577,917
Private Improvements ^[b]	7,950,695	-	-	-
	\$ 7,950,695	\$ 14,931,011	\$ 8,444,597	\$ 5,709,746
<i>Bond Issuance Costs^[c]</i>				
Debt Service Reserve Fund	\$ -	\$ 563,370	\$ 408,791	\$ 316,443
Original Issue Discount	-	11,615	-	-
Underwriter's Discount	-	254,760	117,660	91,060
Underwriter's Counsel	-	-	58,830	45,530
Cost of Issuance	-	380,000	382,395	295,945
	\$ -	\$ 1,209,745	\$ 967,676	\$ 748,978
<i>Other Costs</i>				
Deposit to Administrative Fund	\$ -	\$ 40,000	\$ 40,000	\$ 40,000
	\$ -	\$ 40,000	\$ 40,000	\$ 40,000
Total Uses	\$ 7,950,695	\$ 16,180,756	\$ 9,452,273	\$ 6,498,724

Footnotes:

[a] Reflects a reduction in principal of the Improvement Area #2 Assessment required by the Development Agreement. Such reduction of Assessment will not be reimbursed to the Developer through the collection of Annual Installments, TIRZ No. 2 Revenues, or PID Bonds.

[b] Non-reimbursable to Developer from the collection of Annual Installments, TIRZ No. 1 Revenues, TIRZ No. 2 Revenues, or PID Bonds.

[c] Bond Issuance Costs associated with Improvement Area #1 Bonds have been updated to reflect the actual costs at the time of the 2024 A&R Service and Assessment Plan. Bonds Issuance Costs associated with Improvement Area #2-3 Bonds are preliminary estimates only and subject to change upon pricing.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units ^[a]	Estimated Buildout Value ^[b]		Maximum Assessment ^[c]		Average Annual Installment		Annual Installment TRE ^[d]
		Per Unit	Total	Per Unit	Total	Per Unit	Total	
Improvement Area #1								
Lot Type 1	148	\$ 257,000	\$ 38,036,000	\$ 25,026.31	\$ 3,703,893	\$ 1,861.81	\$ 275,549	\$ 0.7244
Lot Type 2	165	\$ 298,000	\$ 49,170,000	\$ 29,018.83	\$ 4,788,107	\$ 2,158.84	\$ 356,208	\$ 0.7244
Improvement Area #1 Subtotal	313	\$ 87,206,000		\$ 8,492,000		\$ 631,757		
Improvement Area #2								
Lot Type 3	65	\$ 281,000	\$ 18,265,000	\$ 26,265.43	\$ 1,707,253	\$ 2,155.48	\$ 140,106	\$ 0.7671
Lot Type 4	134	\$ 308,000	\$ 41,272,000	\$ 28,789.16	\$ 3,857,747	\$ 2,362.59	\$ 316,587	\$ 0.7671
Improvement Area #2 Subtotal	199	\$ 59,537,000		\$ 5,565,000		\$ 456,694		
Improvement Area #3								
Lot Type 5	54	\$ 281,000	\$ 15,174,000	\$ 26,413.00	\$ 1,426,302	\$ 2,155.31	\$ 116,387	\$ 0.7670
Lot Type 6	108	\$ 308,000	\$ 33,264,000	\$ 28,950.91	\$ 3,126,698	\$ 2,362.41	\$ 255,140	\$ 0.7670
Improvement Area #3 Subtotal	162	\$ 48,438,000		\$ 4,553,000		\$ 371,527		
Total	674	\$ 195,181,000		\$ 18,610,000				

Footnotes:

[a] As provided by the Developer's Engineer in correspondence dated 6/11/2024.

[b] Improvement Area #1 and Improvement Area #2 Estimated Buildout Values at the time the City Council approved the applicable Assessment Ordinance. Improvement Area #3 Estimated Buildout Value as provided by the Developer in correspondence dated 1/22/2025.

[c] The Improvement Area #2 Maximum Assessment does not include the Annual Installment due 1/31/2025, which will be used to make the 9/15/2025 principal payment on the Improvement Area #2-3 Bonds, and the reduction of Assessment required by the Development Agreement, as shown on **Exhibit C-2**.

[d] Tax Rate Equivalent of the Annual Installment before TIRZ No. 1 Annual Credit Amounts or TIRZ No. 2 Annual Credit Amounts are applied.

EXHIBIT F-1 – TIRZ NO. 1 MAXIMUM ANNUAL CREDIT AMOUNT BY LOT TYPE

Lot Type	TIRZ No. 1 Maximum Annual	
	Credit Amount ^[a]	
<i>Improvement Area #1</i>		
Lot Type 1	\$	849.10
Lot Type 2	\$	984.56

Footnotes:

[a] Improvement Area #1 TIRZ No.1 Maximum Annual Credit Amount as determined in the applicable Assessment Ordinance.

EXHIBIT F-2 – TIRZ NO. 2 MAXIMUM ANNUAL CREDIT AMOUNT BY LOT TYPE

TIRZ No. 2 Maximum Annual	
Lot Type	Credit Amount ^{[a], [b]}
Improvement Area #2	
Lot Type 3	\$ 928.39
Lot Type 4	\$ 1,017.60
Improvement Area #3	
Lot Type 5	\$ 928.39
Lot Type 6	\$ 1,017.60

Footnotes:

[a] Improvement Area #2 TIRZ No.2 Maximum Annual Credit Amount as determined in the applicable Assessment Ordinance.

[b] Improvement Area #3 TIRZ No.2 Maximum Annual Credit Amount based on the current City tax rate and the assumed Estimated Buildout Value and further described in **Section V.G.**

EXHIBIT G-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Lot Type	Notes	Improvement Area #1 ^[a]			
			Outstanding Assessment	Annual Installment Prior to TIRZ No. 1 Annual Credit Amount	TIRZ No. 1 Annual Credit Amount ^[b]	Annual Installment Due 1/31/2026
201100174	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201099982	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099983	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099984	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099985	2	[d]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201120509	2	[d]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201099986	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099987	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099988	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099989	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099990	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099991	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201099973	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201099974	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099992	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099993	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099994	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099995	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099996	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099997	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099998	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099999	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100000	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100001	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201099975	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114547	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201114548	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114549	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114550	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114551	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114552	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114553	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114554	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114555	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114556	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099976	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114557	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114558	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114559	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114560	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114561	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114562	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114563	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02

Property ID	Lot Type	Notes	Improvement Area #1 ^[a]			
			Outstanding Assessment	Annual Installment Prior to TIRZ No. 1 Annual Credit Amount	TIRZ No. 1 Annual Credit Amount ^[b]	Annual Installment Due 1/31/2026
201114564	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099977	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099978	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099979	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099980	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201099981	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100002	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100011	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100012	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100013	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100014	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100015	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100016	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100017	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100018	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100019	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100020	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100003	2	[e]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201113989	2	[e]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201100021	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100022	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100023	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100024	2	[f]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201115194	2	[f]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201100025	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100026	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100004	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100005	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100006	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100007	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100008	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100009	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100010	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100027	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100036	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100037	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100038	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201121614	2	[g]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201100039	2	[g]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201114513	2	[h]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201100040	2	[h]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201100041	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100042	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02

Property ID	Lot Type	Notes	Improvement Area #1 ^[a]			
			Outstanding Assessment	Annual Installment Prior to TIRZ No. 1 Annual Credit Amount	TIRZ No. 1 Annual Credit Amount ^[b]	Annual Installment Due 1/31/2026
201100043	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100044	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100028	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100029	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100030	2	[i]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201114511	2	[i]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201100031	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100032	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100033	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100034	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100035	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100048	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201115166	2	[j]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201100057	2	[j]	\$ 27,334.15	\$ 1,082.51	TBD	\$ 1,082.51
201100058	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100059	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100060	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100061	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100062	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100063	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100049	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100050	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100051	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100052	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100053	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100054	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100055	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100056	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100073	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100074	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100075	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100076	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100077	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100078	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114565	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114566	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114567	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114568	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100064	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201100065	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201124444	1	[k]	\$ 23,573.41	\$ 933.57	TBD	\$ 933.57
201114569	1	[k]	\$ 23,573.41	\$ 933.57	TBD	\$ 933.57
201114570	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15

			Improvement Area #1 ^[a]			
Property ID	Lot Type	Notes	Outstanding Assessment	Annual Installment Prior to TIRZ No. 1 Annual Credit Amount	TIRZ No. 1 Annual Credit Amount ^[b]	Annual Installment Due 1/31/2026
201114571	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114572	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114573	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201100066	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100067	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100068	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100069	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201115395	1	[I]	\$ 23,573.41	933.57	TBD	\$ 933.57
201100070	1	[I]	\$ 23,573.41	933.57	TBD	\$ 933.57
201100071	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100072	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100079	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100088	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100089	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100090	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100091	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100092	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100093	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100095	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114574	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114575	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114576	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100080	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114577	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114578	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114579	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114580	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114581	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114582	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114583	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114584	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114585	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114586	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100081	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114587	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114588	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114589	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114590	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114591	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114592	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114593	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114594	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114595	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15

			Improvement Area #1 ^[a]			
Property ID	Lot Type	Notes	Outstanding Assessment	Annual Installment Prior to TIRZ No. 1 Annual Credit Amount	TIRZ No. 1 Annual Credit Amount ^[b]	Annual Installment Due 1/31/2026
201114596	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100082	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114597	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114598	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114599	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201124442	1	[m]	\$ 23,573.41	\$ 933.57	TBD	\$ 933.57
201114600	1	[m]	\$ 23,573.41	\$ 933.57	TBD	\$ 933.57
201114601	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114602	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114603	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114604	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114605	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114606	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100083	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114607	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100096	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100097	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100098	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100099	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100100	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100101	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100102	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100103	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100104	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100084	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100105	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100106	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100085	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100086	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100087	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100107	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100116	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100117	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100118	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100119	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100120	1	[n]	\$ 23,573.41	\$ 933.57	TBD	\$ 933.57
201113890	1	[n]	\$ 23,573.41	\$ 933.57	TBD	\$ 933.57
201114608	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114609	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114610	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114611	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114612	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100108	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15

			Improvement Area #1 ^[a]			
Property ID	Lot Type	Notes	Outstanding Assessment	Annual Installment Prior to TIRZ No. 1 Annual Credit Amount	TIRZ No. 1 Annual Credit Amount ^[b]	Annual Installment Due 1/31/2026
201114613	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114614	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114615	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114616	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114617	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114618	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114619	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114620	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114621	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114622	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100109	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114623	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114624	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201114625	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114626	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114627	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114628	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114629	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114630	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114631	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114632	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100110	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114633	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114634	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114635	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201114636	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201100111	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100112	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100113	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100114	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100115	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100121	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100122	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100123	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100124	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100125	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100126	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100127	1	[o]	\$ 23,573.41	\$ 933.57	TBD	\$ 933.57
201121930	1	[o]	\$ 23,573.41	\$ 933.57	TBD	\$ 933.57
201100128	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100129	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100130	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100131	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15

			Improvement Area #1 ^[a]			
Property ID	Lot Type	Notes	Outstanding Assessment	Annual Installment Prior to TIRZ No. 1 Annual Credit Amount	TIRZ No. 1 Annual Credit Amount ^[b]	Annual Installment Due 1/31/2026
201100132	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100133	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100134	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100144	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100145	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100146	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100147	1	[p]	\$ 23,573.41	\$ 933.57	TBD	\$ 933.57
201115403	1	[p]	\$ 23,573.41	\$ 933.57	TBD	\$ 933.57
201100148	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100149	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100150	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201100151	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100152	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100153	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100135	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201100136	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100154	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100155	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100156	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100157	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100158	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100159	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100160	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100161	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100162	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100163	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100137	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100164	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100165	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100138	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100139	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100140	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100141	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100142	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100143	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201100167	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100168	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100169	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100170	1		\$ 23,573.41	\$ 1,867.15	TBD	\$ 1,867.15
201100171	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201100172	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201100173	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201114637	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02

			Improvement Area #1 ^[a]			
Property ID	Lot Type	Notes	Outstanding Assessment	Annual Installment Prior to TIRZ No. 1 Annual Credit Amount	TIRZ No. 1 Annual Credit Amount ^[b]	Annual Installment Due 1/31/2026
201114646	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114647	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114648	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114649	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114650	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114651	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114652	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114653	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114654	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114655	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114638	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114656	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114657	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114658	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114659	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114660	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114661	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114639	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114640	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114641	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114642	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114643	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114644	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114645	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114662	Non-Benefited Property		\$ -	\$ -	TBD	\$ -
201114663	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114672	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114673	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114674	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114675	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114676	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114677	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114664	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114665	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114666	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114667	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114668	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114669	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114670	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
201114671	2		\$ 27,334.15	\$ 2,165.02	TBD	\$ 2,165.02
Total^[c]			\$ 8,331,778.94	\$ 633,566.44	\$ -	\$ 633,566.44

Footnotes:

- [a] Outstanding Improvement Area #1 Assessment and Improvement Area #1 Annual Installment may not match Improvement Area #1 Assessment Roll due to rounding.
- [b] The TIRZ No. 1 Annual Credit Amount will be determined as TIRZ No. 1 Revenues are generated and will be reflected on each Parcel of Assessed Property's Annual Installment due 1/31/2026.
- [c] Totals may not sum due to rounding.
- [d] Undivided interest of parent Property ID 201120508 located at 111 Augusta Ct, billed 50% to Property ID 201099985 and 50% to Property ID 201120509.
- [e] Undivided interest of parent Property ID 201113988 located at 128 Waterbend Cove, billed 50% to Property ID 201100003 and 50% to Property ID 201113989.
- [f] Undivided interest of parent Property ID 201115193 located at 117 Orchard Pines, billed 50% to Property ID 201100024 and 50% to Property ID 201115194.
- [g] Undivided interest of parent Property ID 201121613 located at 111 Irish Ivy Ct, billed 50% to Property ID 201121614 and 50% to Property ID 201100039.
- [h] Undivided interest of parent Property ID 201114512 located at 115 Irish Ivy Ct, billed 50% to Property ID 201100040 and 50% to Property ID 201114513.
- [i] Undivided interest of parent Property ID 201114510 located at 152 Orchard Pines, billed 50% to Property ID 201100030 and 50% to Property ID 201114511.
- [j] Undivided interest of parent Property ID 201115165 located at 141 Hollytree Ln, billed 50% to Property ID 201100057 and 50% to Property ID 201115166.
- [k] Undivided interest of parent Property ID 201124443 located at 179 Greengate Dr, billed 50% to Property ID 201124444 and 50% to Property ID 201114569.
- [l] Undivided interest of parent Property ID 201115394 located at 125 Greengate Dr, billed 50% to Property ID 201100070 and 50% to Property ID 201115395.
- [m] Undivided interest of parent Property ID 201124441 located at 191 Running River Dr, billed 50% to Property ID 201124442 and 50% to Property ID 201114600.
- [n] Undivided interest of parent Property ID 201113889 located at 160 Running River Dr, billed 50% to Property ID 201100120 and 50% to Property ID 201113890.
- [o] Undivided interest of parent Property ID 201121929 located at 169 Drift oak Dr, billed 50% to Property ID 201100120 and 50% to Property ID 201113890.
- [p] Undivided interest of parent Property ID 201115402 located at 184 Birch Forest Ln, billed 50% to Property ID 201100147 and 50% to Property ID 201115403.

EXHIBIT G-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Reserve Fund	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 138,000.00	\$ 419,213.76	\$ 39,995.00	\$ -	\$ 36,357.08	\$ 633,565.84
2027	\$ 144,000.00	\$ 413,348.76	\$ 39,305.00	\$ -	\$ 37,084.22	\$ 633,737.98
2028	\$ 150,000.00	\$ 407,228.76	\$ 38,585.00	\$ -	\$ 37,825.90	\$ 633,639.66
2029	\$ 156,000.00	\$ 400,853.76	\$ 37,835.00	\$ -	\$ 38,582.42	\$ 633,271.18
2030	\$ 163,000.00	\$ 394,223.76	\$ 37,055.00	\$ -	\$ 39,354.07	\$ 633,632.83
2031	\$ 169,000.00	\$ 387,296.26	\$ 36,240.00	\$ -	\$ 40,141.15	\$ 632,677.41
2032	\$ 178,000.00	\$ 378,635.00	\$ 35,395.00	\$ -	\$ 40,943.97	\$ 632,973.97
2033	\$ 187,000.00	\$ 369,512.50	\$ 34,505.00	\$ -	\$ 41,762.85	\$ 632,780.35
2034	\$ 197,000.00	\$ 359,928.76	\$ 33,570.00	\$ -	\$ 42,598.11	\$ 633,096.87
2035	\$ 207,000.00	\$ 349,832.50	\$ 32,585.00	\$ -	\$ 43,450.07	\$ 632,867.57
2036	\$ 217,000.00	\$ 339,223.76	\$ 31,550.00	\$ -	\$ 44,319.07	\$ 632,092.83
2037	\$ 228,000.00	\$ 328,102.50	\$ 30,465.00	\$ -	\$ 45,205.45	\$ 631,772.95
2038	\$ 240,000.00	\$ 316,417.50	\$ 29,325.00	\$ -	\$ 46,109.56	\$ 631,852.06
2039	\$ 253,000.00	\$ 304,117.50	\$ 28,125.00	\$ -	\$ 47,031.75	\$ 632,274.25
2040	\$ 266,000.00	\$ 291,151.26	\$ 26,860.00	\$ -	\$ 47,972.39	\$ 631,983.65
2041	\$ 280,000.00	\$ 277,518.76	\$ 25,530.00	\$ -	\$ 48,931.84	\$ 631,980.60
2042	\$ 294,000.00	\$ 263,168.76	\$ 24,130.00	\$ -	\$ 49,910.48	\$ 631,209.24
2043	\$ 309,000.00	\$ 248,101.26	\$ 22,660.00	\$ -	\$ 50,908.69	\$ 630,669.95
2044	\$ 326,000.00	\$ 232,265.00	\$ 21,115.00	\$ -	\$ 51,926.86	\$ 631,306.86
2045	\$ 344,000.00	\$ 214,335.00	\$ 19,485.00	\$ -	\$ 52,965.40	\$ 630,785.40
2046	\$ 363,000.00	\$ 195,415.00	\$ 17,765.00	\$ -	\$ 54,024.71	\$ 630,204.71
2047	\$ 384,000.00	\$ 175,450.00	\$ 15,950.00	\$ -	\$ 55,105.20	\$ 630,505.20
2048	\$ 406,000.00	\$ 154,330.00	\$ 14,030.00	\$ -	\$ 56,207.30	\$ 630,567.30
2049	\$ 429,000.00	\$ 132,000.00	\$ 12,000.00	\$ -	\$ 57,331.45	\$ 630,331.45
2050	\$ 453,000.00	\$ 108,405.00	\$ 9,855.00	\$ -	\$ 58,478.08	\$ 629,738.08
2051	\$ 479,000.00	\$ 83,490.00	\$ 7,590.00	\$ -	\$ 59,647.64	\$ 629,727.64
2052	\$ 505,000.00	\$ 57,145.00	\$ 5,195.00	\$ -	\$ 60,840.59	\$ 628,180.59
2053	\$ 534,000.00	\$ 29,370.00	\$ 2,670.00	\$ (563,370.00)	\$ 62,057.40	\$ 64,727.40
Total	\$ 7,999,000.00	\$ 7,630,080.12	\$ 709,370.00	\$ (563,370.00)	\$ 1,347,073.70	\$ 17,122,153.82

Footnotes:

[a] Interest rate on the Improvement Area #1 Bonds is 4.25% for bonds maturing 2030, 5.125% for bonds maturing 2043, and 5.50% for bonds maturing 2053.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H-1 – IMPROVEMENT AREA #2 ASSESSMENT ROLL

Property ID	Lot Type	Improvement Area #2 ^{[a], [b]}			
		Outstanding Assessment	Annual Installment Prior to TIRZ No. 2 Annual Credit Amount	TIRZ No. 2 Annual Credit Amount ^[c]	Annual Installment Due 1/31/2026
201123090	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123091	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123092	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123093	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123094	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123095	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123096	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123097	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123098	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123099	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123100	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123103	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123104	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123105	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123106	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123107	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123108	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123109	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123110	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123111	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123112	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123113	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123114	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123115	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123116	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123117	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123118	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123119	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123120	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123121	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123122	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123123	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123124	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123125	Non-Benefited Property	\$ -	\$ -	TBD	\$ -
201123126	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123127	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123128	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123129	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123130	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123131	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42

Property ID	Lot Type	Improvement Area #2 ^{[a], [b]}			
		Outstanding Assessment	Annual Installment Prior to TIRZ No. 2 Annual Credit Amount	TIRZ No. 2 Annual Credit Amount ^[c]	Annual Installment Due 1/31/2026
201123132	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123133	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123134	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123135	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123136	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123137	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123138	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123139	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123140	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123141	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123142	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123143	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123144	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123145	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123146	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123147	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123148	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123149	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123150	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123151	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123152	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123153	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123154	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123155	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123157	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123158	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123159	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123160	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123161	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123162	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123163	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123164	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123165	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123166	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123167	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123168	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123169	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123170	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123171	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123172	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44

Property ID	Lot Type	Improvement Area #2 ^{[a], [b]}			
		Outstanding Assessment	Annual Installment Prior to TIRZ No. 2 Annual Credit Amount	TIRZ No. 2 Annual Credit Amount ^[c]	Annual Installment Due 1/31/2026
201123156	Non-Benefited Property	\$ -	\$ -	TBD	\$ -
201123173	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123174	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123175	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123176	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123177	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123178	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123179	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123180	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123181	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123182	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123183	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123184	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123185	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123186	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123187	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123188	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123189	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123190	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123191	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123192	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123193	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123194	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123195	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123196	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123197	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123198	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123199	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123200	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123201	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123202	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123203	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123204	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123205	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123206	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123207	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123208	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123209	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123210	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123211	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44

Property ID	Lot Type	Improvement Area #2 ^{[a], [b]}			
		Outstanding Assessment	Annual Installment Prior to TIRZ No. 2 Annual Credit Amount	TIRZ No. 2 Annual Credit Amount ^[c]	Annual Installment Due 1/31/2026
201123212	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123213	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123214	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123215	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123216	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123217	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123218	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123219	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123220	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123221	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123222	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123223	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123224	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123225	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123226	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123227	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123228	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123229	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123230	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123231	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123232	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123233	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123234	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123235	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123236	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123237	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123238	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123239	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123240	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123241	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123242	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123243	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123244	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123245	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123246	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123247	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123248	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123249	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123250	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123251	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44

Property ID	Lot Type	Improvement Area #2 ^{[a], [b]}			
		Outstanding Assessment	Annual Installment Prior to TIRZ No. 2 Annual Credit Amount	TIRZ No. 2 Annual Credit Amount ^[c]	Annual Installment Due 1/31/2026
201123252	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123253	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123254	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123256	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123257	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123258	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123259	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123260	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123261	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123262	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123263	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123264	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123265	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123266	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123267	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123268	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123269	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123270	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123271	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123272	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123273	3	\$ 26,265.43	\$ 2,154.42	TBD	\$ 2,154.42
201123275	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123276	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123277	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123278	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123279	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123280	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123281	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123282	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123283	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123284	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123285	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123286	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123287	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123288	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123289	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123290	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123291	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123292	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123293	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44

Property ID	Lot Type	Improvement Area #2 ^{[a], [b]}			
		Outstanding Assessment	Annual Installment Prior to TIRZ No. 2 Annual Credit Amount	TIRZ No. 2 Annual Credit Amount ^[c]	Annual Installment Due 1/31/2026
201123294	4	\$ 28,789.16	\$ 2,361.44	TBD	\$ 2,361.44
201123274	Non-Benefited Property	\$ -	\$ -	TBD	\$ -
Total^[d]		\$ 5,565,000.39	\$ 456,470.26	TBD	\$ 456,470.26

Footnotes:

[a] Outstanding Improvement Area #2 Assessment and Improvement Area #2 Annual Installment may not match Improvement Area #2 Assessment Roll due to rounding.

[b] Improvement Area #2 Assessment Roll is preliminary and subject to change upon bond pricing.

[c] The TIRZ No. 2 Annual Credit Amount will be determined as TIRZ No. 2 Revenues are generated and will be reflected on each Parcel of Assessed Property's Annual Installment due 1/31/2026.

[d] Totals may not sum due to rounding.

EXHIBIT H-2 – IMPROVEMENT AREA #2 ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Reserve Fund ^[b]	Annual Collection Costs	Annual Installment ^[c]
2025	\$ 318,000.00	\$ 114,636.79	\$ -	\$ -	\$ 25,250.50	\$ 457,887.29
2026	\$ 79,000.00	\$ 319,987.50	\$ 27,825.00	\$ -	\$ 29,656.13	\$ 456,468.63
2027	\$ 84,000.00	\$ 315,445.00	\$ 27,430.00	\$ -	\$ 30,249.25	\$ 457,124.25
2028	\$ 89,000.00	\$ 310,615.00	\$ 27,010.00	\$ -	\$ 30,854.24	\$ 457,479.24
2029	\$ 94,000.00	\$ 305,497.50	\$ 26,565.00	\$ -	\$ 31,471.32	\$ 457,533.82
2030	\$ 99,000.00	\$ 300,092.50	\$ 26,095.00	\$ -	\$ 32,100.75	\$ 457,288.25
2031	\$ 104,000.00	\$ 294,400.00	\$ 25,600.00	\$ -	\$ 32,742.77	\$ 456,742.77
2032	\$ 110,000.00	\$ 288,420.00	\$ 25,080.00	\$ -	\$ 33,397.63	\$ 456,897.63
2033	\$ 116,000.00	\$ 282,095.00	\$ 24,530.00	\$ -	\$ 34,065.58	\$ 456,690.58
2034	\$ 123,000.00	\$ 275,425.00	\$ 23,950.00	\$ -	\$ 34,746.89	\$ 457,121.89
2035	\$ 130,000.00	\$ 268,352.50	\$ 23,335.00	\$ -	\$ 35,441.83	\$ 457,129.33
2036	\$ 137,000.00	\$ 260,877.50	\$ 22,685.00	\$ -	\$ 36,150.67	\$ 456,713.17
2037	\$ 145,000.00	\$ 253,000.00	\$ 22,000.00	\$ -	\$ 36,873.68	\$ 456,873.68
2038	\$ 153,000.00	\$ 244,662.50	\$ 21,275.00	\$ -	\$ 37,611.15	\$ 456,548.65
2039	\$ 162,000.00	\$ 235,865.00	\$ 20,510.00	\$ -	\$ 38,363.37	\$ 456,738.37
2040	\$ 171,000.00	\$ 226,550.00	\$ 19,700.00	\$ -	\$ 39,130.64	\$ 456,380.64
2041	\$ 181,000.00	\$ 216,717.50	\$ 18,845.00	\$ -	\$ 39,913.25	\$ 456,475.75
2042	\$ 192,000.00	\$ 206,310.00	\$ 17,940.00	\$ -	\$ 40,711.52	\$ 456,961.52
2043	\$ 203,000.00	\$ 195,270.00	\$ 16,980.00	\$ -	\$ 41,525.75	\$ 456,775.75
2044	\$ 215,000.00	\$ 183,597.50	\$ 15,965.00	\$ -	\$ 42,356.27	\$ 456,918.77
2045	\$ 227,000.00	\$ 171,235.00	\$ 14,890.00	\$ -	\$ 43,203.40	\$ 456,328.40
2046	\$ 241,000.00	\$ 158,182.50	\$ 13,755.00	\$ -	\$ 44,067.47	\$ 457,004.97
2047	\$ 255,000.00	\$ 144,325.00	\$ 12,550.00	\$ -	\$ 44,948.82	\$ 456,823.82
2048	\$ 270,000.00	\$ 129,662.50	\$ 11,275.00	\$ -	\$ 45,847.80	\$ 456,785.30
2049	\$ 285,000.00	\$ 114,137.50	\$ 9,925.00	\$ -	\$ 46,764.76	\$ 455,827.26
2050	\$ 302,000.00	\$ 97,750.00	\$ 8,500.00	\$ -	\$ 47,700.06	\$ 455,950.06
2051	\$ 320,000.00	\$ 80,385.00	\$ 6,990.00	\$ -	\$ 48,654.06	\$ 456,029.06
2052	\$ 339,000.00	\$ 61,985.00	\$ 5,390.00	\$ -	\$ 49,627.14	\$ 456,002.14
2053	\$ 359,000.00	\$ 42,492.50	\$ 3,695.00	\$ -	\$ 50,619.68	\$ 455,807.18
2054	\$ 380,000.00	\$ 21,850.00	\$ 1,900.00	\$ (432,636.79)	\$ 51,632.07	\$ 22,745.28
Total	\$ 5,883,000.00	\$ 6,119,821.79	\$ 522,190.00	\$ (432,636.79)	\$ 1,175,678.45	\$ 13,268,053.45

Footnotes:

[a] Interest is calculated at 5.75% rate per the City's Financial Advisor, and subject to change upon pricing.

[b] Assumes the Reserve Fund is fully funded and available to reduce Improvement Area #2 Annual Installments in the final year.

[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT I-1 – IMPROVEMENT AREA #3 ASSESSMENT ROLL

			Improvement Area #3 ^{[a], [b]}			
Property ID	Lot Type	Notes	Outstanding Assessment ^[c]	Annual Installment Prior to TIRZ No. 2 Annual Credit Amount	TIRZ No. 2 Annual Credit Amount ^[d]	Annual Installment Due 1/31/2026
795190	Improvement Area #3 Initial Parcel	[b]	\$ 4,553,000.00	\$ 372,394.55	TBD	\$ 372,394.55
Total			\$ 4,553,000.00	\$ 372,394.55	TBD	\$ 372,394.55

Footnotes:

[a] The entire Improvement Area #3 Initial Parcel is contained within Property ID 795190. The Annual Installment due 1/31/2026 shall be allocated entirely to the Improvement Area #3 Initial Parcel, subject to change prior to billing based on final certified rolls from the County.

[b] Improvement Area #3 Assessment Roll is preliminary and subject to change upon bond pricing.

[c] Future allocation of the Improvement Area #3 Assessment will occur in accordance with **Section VI** of this 2025 A&R Service and Assessment Plan.

[d] The TIRZ No. 2 Annual Credit Amount will be determined as TIRZ No. 2 Revenues are generated and will be reflected on each Parcel of Assessed Property's Annual Installment due 1/31/2026.

EXHIBIT I-2 – IMPROVEMENT AREA #3 ASSESSMENT ROLL BY BLOCK AND LOT

Property ID ^[b] Block Lot Lot Type				Improvement Area #3 ^[a]			
				Outstanding Assessment	Annual Installment Prior to TIRZ No. 2 Annual Credit Amount	TIRZ No. 2 Annual Credit Amount ^[c]	Annual Installment Due 1/31/2026
TBD	H	24	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	H	25	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	H	26	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	H	27	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	H	28	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	H	29	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	H	30	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	H	31	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	H	32	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	H	33	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	H	34	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	1	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	2	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	3	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	4	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	5	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	6	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	7	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	8	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	9	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	10	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	11	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	12	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	13	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	14	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	15	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	16	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	17	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	18	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	R	19	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	T	9	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	T	10	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	T	11	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	T	12	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	T	13	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	T	14	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	T	15	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	T	16	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	T	17	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	T	18	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93

				Improvement Area #3 ^[a]				
Property ID ^[b]	Block	Lot	Lot Type	Annual Installment Prior		TIRZ No. 2 Annual Credit Amount ^[c]	Annual	
				Outstanding Assessment	to TIRZ No. 2 Annual Credit Amount		Installment Due	1/31/2026
TBD	T	19	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	20	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	21	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	22	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	23	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	24	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	25	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	26	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	27	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	28	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	29	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	30	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	31	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	32	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	33	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	34	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	35	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	36	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	37	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	38	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	39	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	40	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	41	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	T	42	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	40	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	41	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	43	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	44	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	45	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	46	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	47	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	48	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	49	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	50	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	51	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	52	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	53	6	\$ 28,950.91	\$ 2,367.93	TBD	\$	2,367.93
TBD	V	42X	Non-Benefited Property	\$ -	\$ -	TBD	\$	-
TBD	W	1	5	\$ 26,413.00	\$ 2,160.36	TBD	\$	2,160.36
TBD	W	2	5	\$ 26,413.00	\$ 2,160.36	TBD	\$	2,160.36

				Improvement Area #3 ^[a]			
Property ID ^[b]	Block	Lot	Lot Type	Outstanding Assessment	Annual Installment Prior to TIRZ No. 2 Annual Credit Amount	TIRZ No. 2 Annual Credit Amount ^[c]	Annual Installment Due 1/31/2026
TBD	W	3	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	4	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	5	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	6	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	7	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	8	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	9	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	10	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	11	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	12	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	13	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	14	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	15	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	16	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	17	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	18	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	19	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	20	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	21	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	22	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	23	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	24	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	W	25	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	26	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	27	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	28	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	29	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	30	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	31	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	32	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	33	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	34	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	35	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	36	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	37	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	38	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	39	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	40	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	41	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	W	42	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93

				Improvement Area #3 ^[a]			
Property ID ^[b]	Block	Lot	Lot Type	Outstanding	Annual Installment Prior	TIRZ No. 2	Annual
				Assessment	to TIRZ No. 2 Annual	Annual Credit	Installment Due
					Credit Amount	Amount ^[c]	1/31/2026
TBD	W	43	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	X	1	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	2	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	3	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	4	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	5	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	6	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	7	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	8	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	9	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	10	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	11	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	12	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	13	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	14	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	15	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	16	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	17	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	18	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	19	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	20	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	21	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	22	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	23	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	24	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	25	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	26	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	27	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	28	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	29	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	30	5	\$ 26,413.00	\$ 2,160.36	TBD	\$ 2,160.36
TBD	X	32	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	X	33	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	X	34	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	X	35	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	X	36	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	X	37	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	X	38	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	X	39	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	X	40	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93

				Improvement Area #3 ^[a]			
Property ID ^[b]	Block	Lot	Lot Type	Outstanding Assessment	Annual Installment Prior to TIRZ No. 2 Annual Credit Amount	TIRZ No. 2 Annual Credit Amount ^[c]	Annual Installment Due 1/31/2026
TBD	X	41	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	X	42	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	X	43	6	\$ 28,950.91	\$ 2,367.93	TBD	\$ 2,367.93
TBD	X	31X	Non-Benefited Property	\$ -	\$ -	TBD	\$ -
TBD	Y	1X	Non-Benefited Property	\$ -	\$ -	TBD	\$ -
Total^[d]				\$ 4,553,000.28	\$ 372,395.88	TBD	\$ 372,395.88

Footnotes:

[a] Improvement Area #3 Assessment Roll is preliminary and subject to change upon bond pricing.

[b] Final plat has been recorded and Property IDs have not been assigned by the Wise County Appraisal District.

[c] The TIRZ No. 2 Annual Credit Amount will be determined as TIRZ No. 2 Revenues are generated and will be reflected on each Parcel of Assessed Property's Annual Installment due 1/31/2026.

[d] Totals may not match Service Plan or Annual Installment schedule due to rounding.

EXHIBIT I-3 – IMPROVEMENT AREA #3 ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Capitalized Interest	Reserve Fund ^[b]	Annual Collection Costs	Annual Installment ^[c]
2025	\$ -	\$ 88,720.26	\$ -	\$ (88,720.26)	\$ -	\$ -	\$ -
2026	\$ 62,000.00	\$ 261,797.50	\$ 22,765.00	\$ -	\$ -	\$ 25,832.05	\$ 372,394.55
2027	\$ 65,000.00	\$ 258,232.50	\$ 22,455.00	\$ -	\$ -	\$ 26,348.69	\$ 372,036.19
2028	\$ 68,000.00	\$ 254,495.00	\$ 22,130.00	\$ -	\$ -	\$ 26,875.66	\$ 371,500.66
2029	\$ 72,000.00	\$ 250,585.00	\$ 21,790.00	\$ -	\$ -	\$ 27,413.17	\$ 371,788.17
2030	\$ 76,000.00	\$ 246,445.00	\$ 21,430.00	\$ -	\$ -	\$ 27,961.43	\$ 371,836.43
2031	\$ 80,000.00	\$ 242,075.00	\$ 21,050.00	\$ -	\$ -	\$ 28,520.66	\$ 371,645.66
2032	\$ 85,000.00	\$ 237,475.00	\$ 20,650.00	\$ -	\$ -	\$ 29,091.07	\$ 372,216.07
2033	\$ 89,000.00	\$ 232,587.50	\$ 20,225.00	\$ -	\$ -	\$ 29,672.89	\$ 371,485.39
2034	\$ 94,000.00	\$ 227,470.00	\$ 19,780.00	\$ -	\$ -	\$ 30,266.35	\$ 371,516.35
2035	\$ 99,000.00	\$ 222,065.00	\$ 19,310.00	\$ -	\$ -	\$ 30,871.68	\$ 371,246.68
2036	\$ 105,000.00	\$ 216,372.50	\$ 18,815.00	\$ -	\$ -	\$ 31,489.11	\$ 371,676.61
2037	\$ 111,000.00	\$ 210,335.00	\$ 18,290.00	\$ -	\$ -	\$ 32,118.89	\$ 371,743.89
2038	\$ 117,000.00	\$ 203,952.50	\$ 17,735.00	\$ -	\$ -	\$ 32,761.27	\$ 371,448.77
2039	\$ 124,000.00	\$ 197,225.00	\$ 17,150.00	\$ -	\$ -	\$ 33,416.50	\$ 371,791.50
2040	\$ 131,000.00	\$ 190,095.00	\$ 16,530.00	\$ -	\$ -	\$ 34,084.83	\$ 371,709.83
2041	\$ 138,000.00	\$ 182,562.50	\$ 15,875.00	\$ -	\$ -	\$ 34,766.53	\$ 371,204.03
2042	\$ 146,000.00	\$ 174,627.50	\$ 15,185.00	\$ -	\$ -	\$ 35,461.86	\$ 371,274.36
2043	\$ 155,000.00	\$ 166,232.50	\$ 14,455.00	\$ -	\$ -	\$ 36,171.10	\$ 371,858.60
2044	\$ 164,000.00	\$ 157,320.00	\$ 13,680.00	\$ -	\$ -	\$ 36,894.52	\$ 371,894.52
2045	\$ 173,000.00	\$ 147,890.00	\$ 12,860.00	\$ -	\$ -	\$ 37,632.41	\$ 371,382.41
2046	\$ 183,000.00	\$ 137,942.50	\$ 11,995.00	\$ -	\$ -	\$ 38,385.06	\$ 371,322.56
2047	\$ 194,000.00	\$ 127,420.00	\$ 11,080.00	\$ -	\$ -	\$ 39,152.76	\$ 371,652.76
2048	\$ 205,000.00	\$ 116,265.00	\$ 10,110.00	\$ -	\$ -	\$ 39,935.82	\$ 371,310.82
2049	\$ 217,000.00	\$ 104,477.50	\$ 9,085.00	\$ -	\$ -	\$ 40,734.54	\$ 371,297.04
2050	\$ 230,000.00	\$ 92,000.00	\$ 8,000.00	\$ -	\$ -	\$ 41,549.23	\$ 371,549.23
2051	\$ 243,000.00	\$ 78,775.00	\$ 6,850.00	\$ -	\$ -	\$ 42,380.21	\$ 371,005.21
2052	\$ 257,000.00	\$ 64,802.50	\$ 5,635.00	\$ -	\$ -	\$ 43,227.81	\$ 370,665.31
2053	\$ 272,000.00	\$ 50,025.00	\$ 4,350.00	\$ -	\$ -	\$ 44,092.37	\$ 370,467.37
2054	\$ 289,000.00	\$ 34,385.00	\$ 2,990.00	\$ -	\$ -	\$ 44,974.22	\$ 371,349.22
2055	\$ 309,000.00	\$ 17,767.50	\$ 1,545.00	\$ -	\$ (326,767.50)	\$ 45,873.70	\$ 47,418.70
Total	\$ 4,553,000.00	\$ 5,192,420.26	\$ 443,800.00	\$ (88,720.26)	\$ (326,767.50)	\$ 1,047,956.39	\$ 10,821,688.89

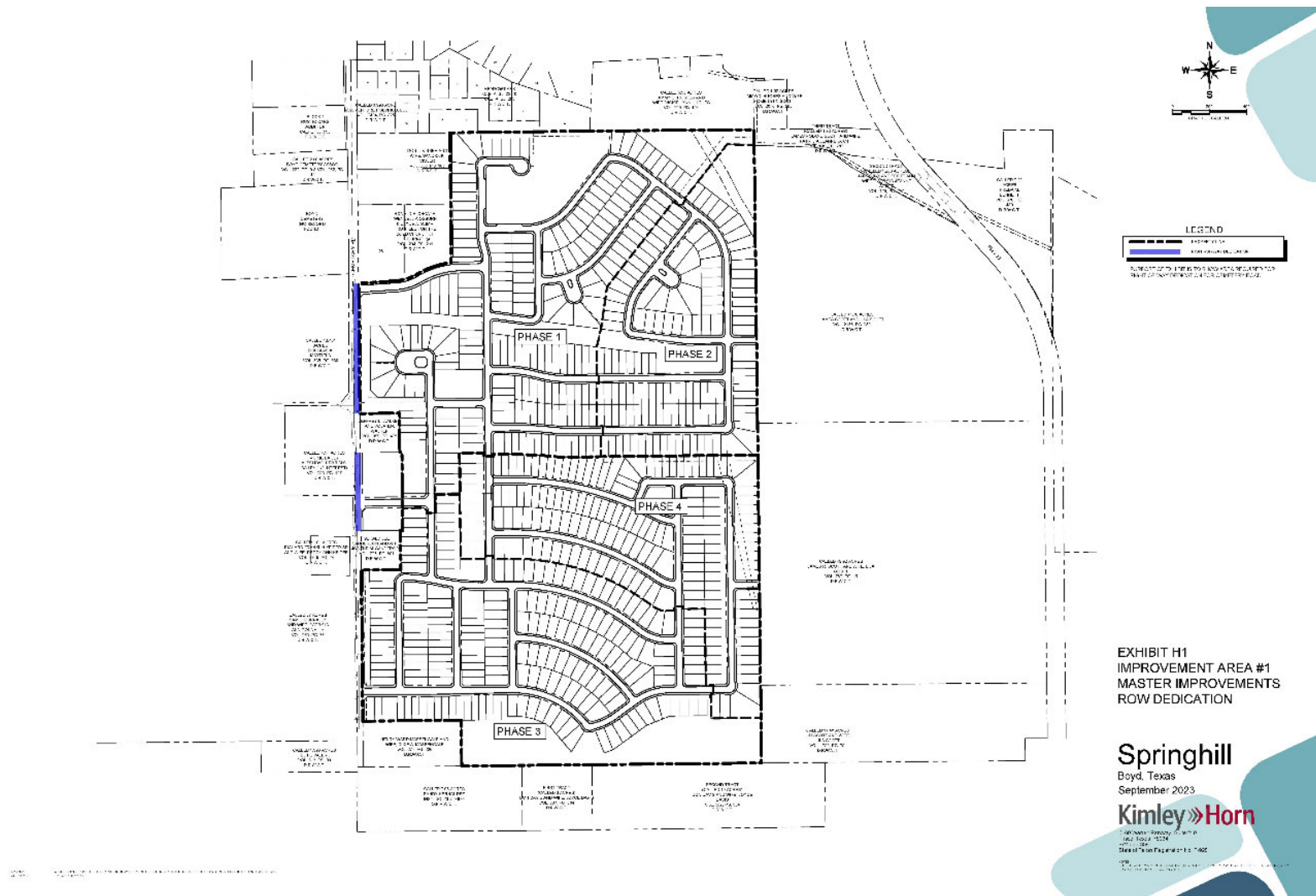
Footnotes:

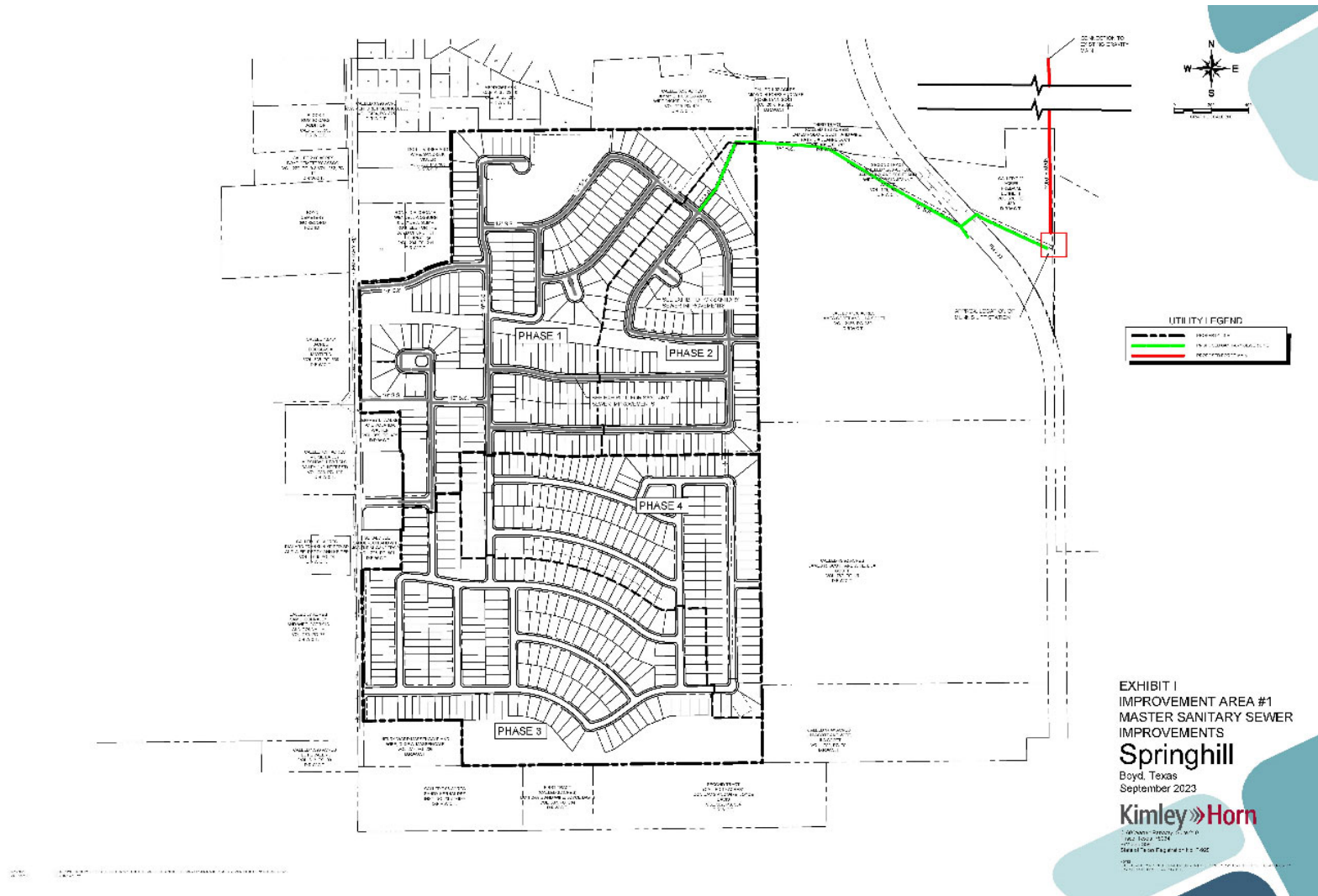
[a] Interest is calculated at 5.75% rate for illustrative purposes, and subject to change upon pricing.

[b] Assumes the Reserve Fund is fully funded and available to reduce Improvement Area #3 Annual Installments in the final year.

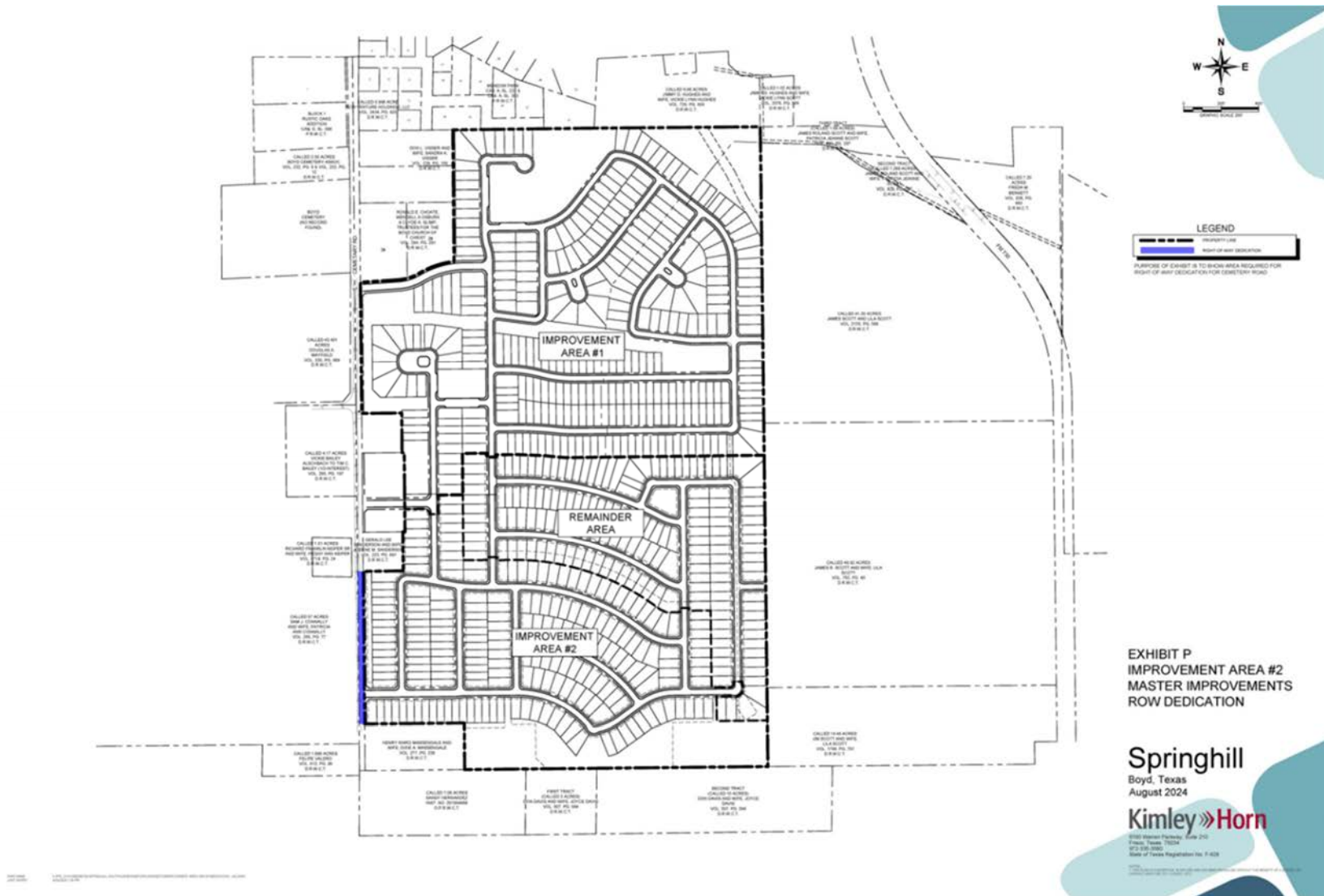
[c] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

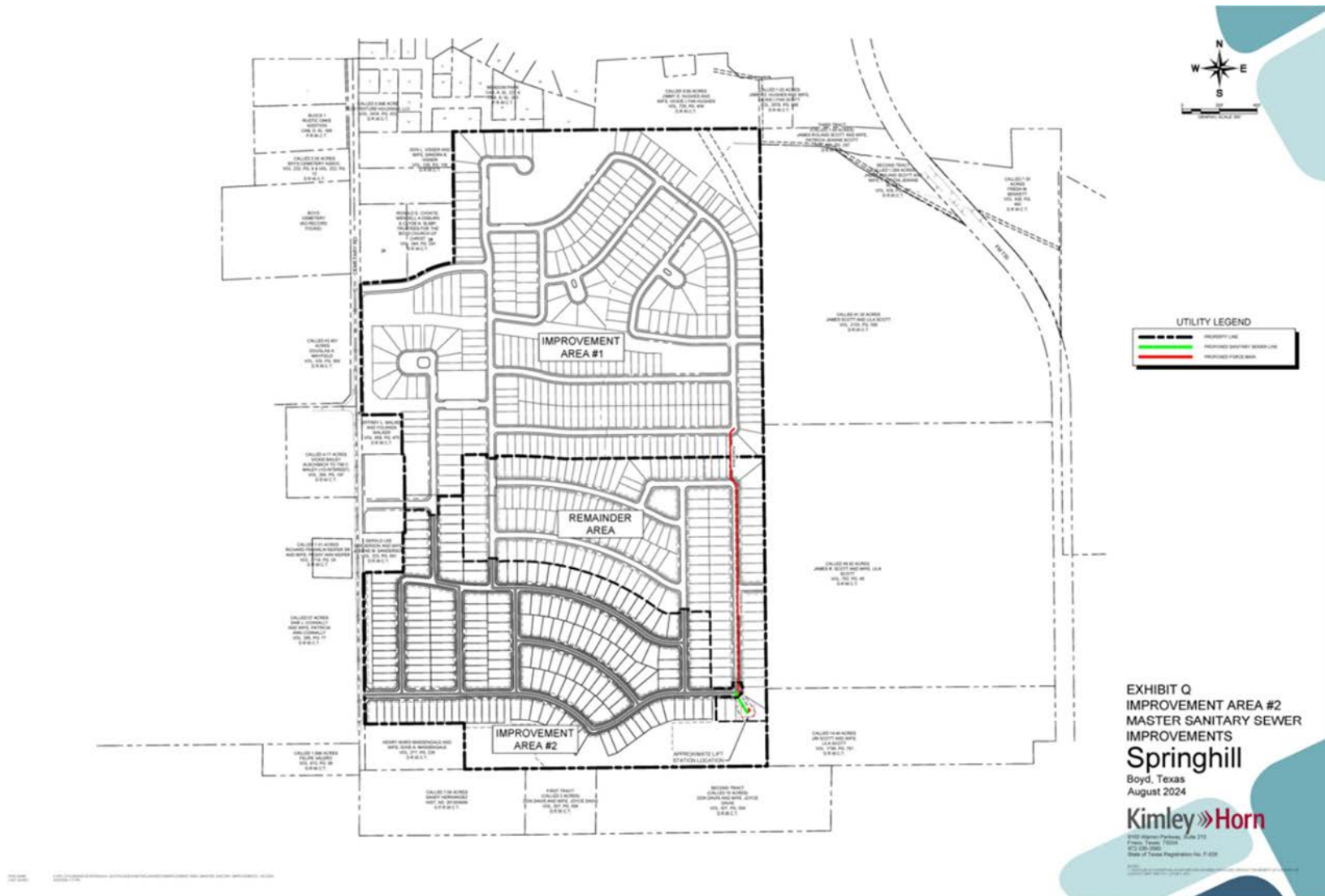
EXHIBIT J-1 – MAPS OF MAJOR IMPROVEMENTS











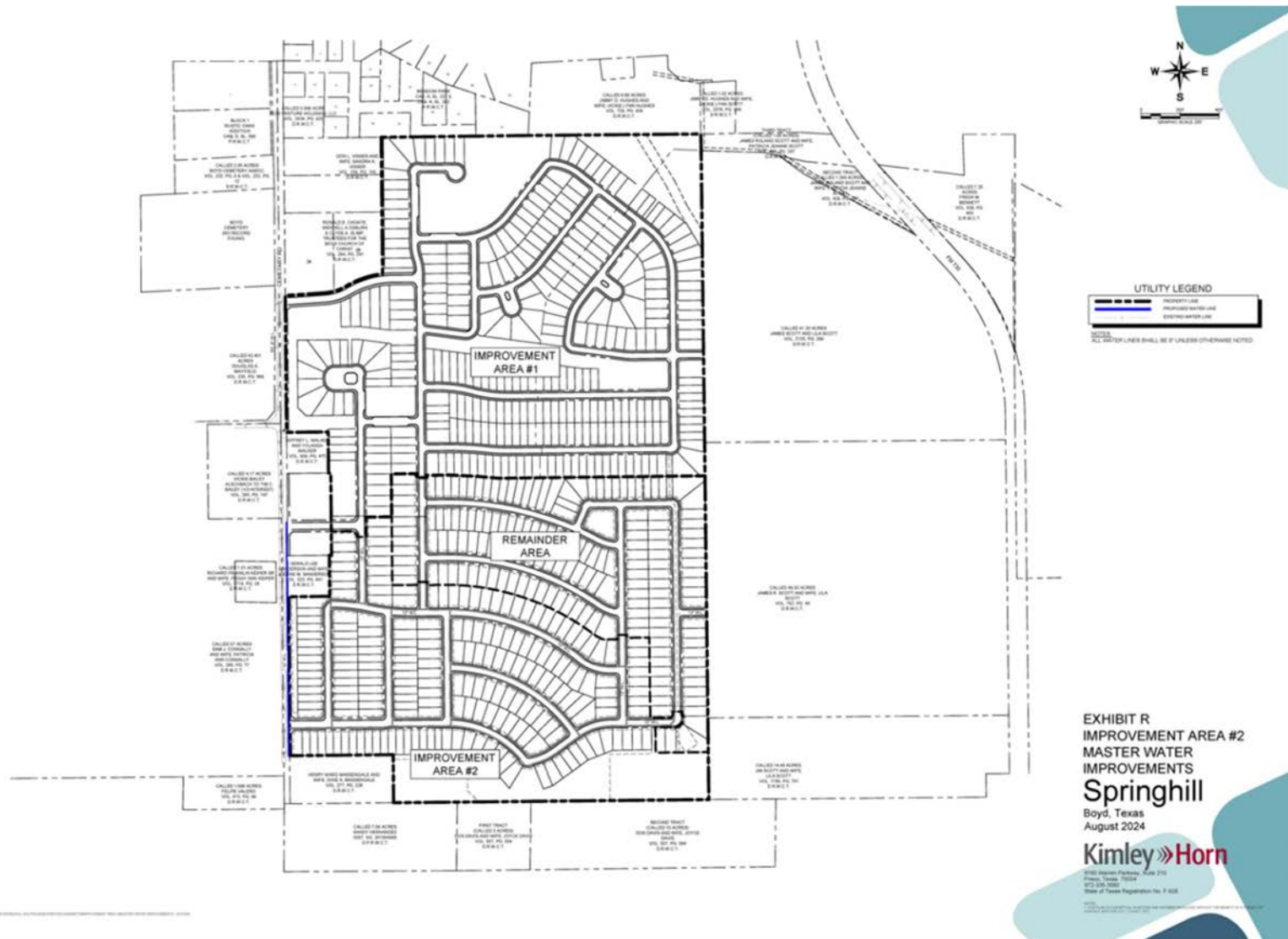
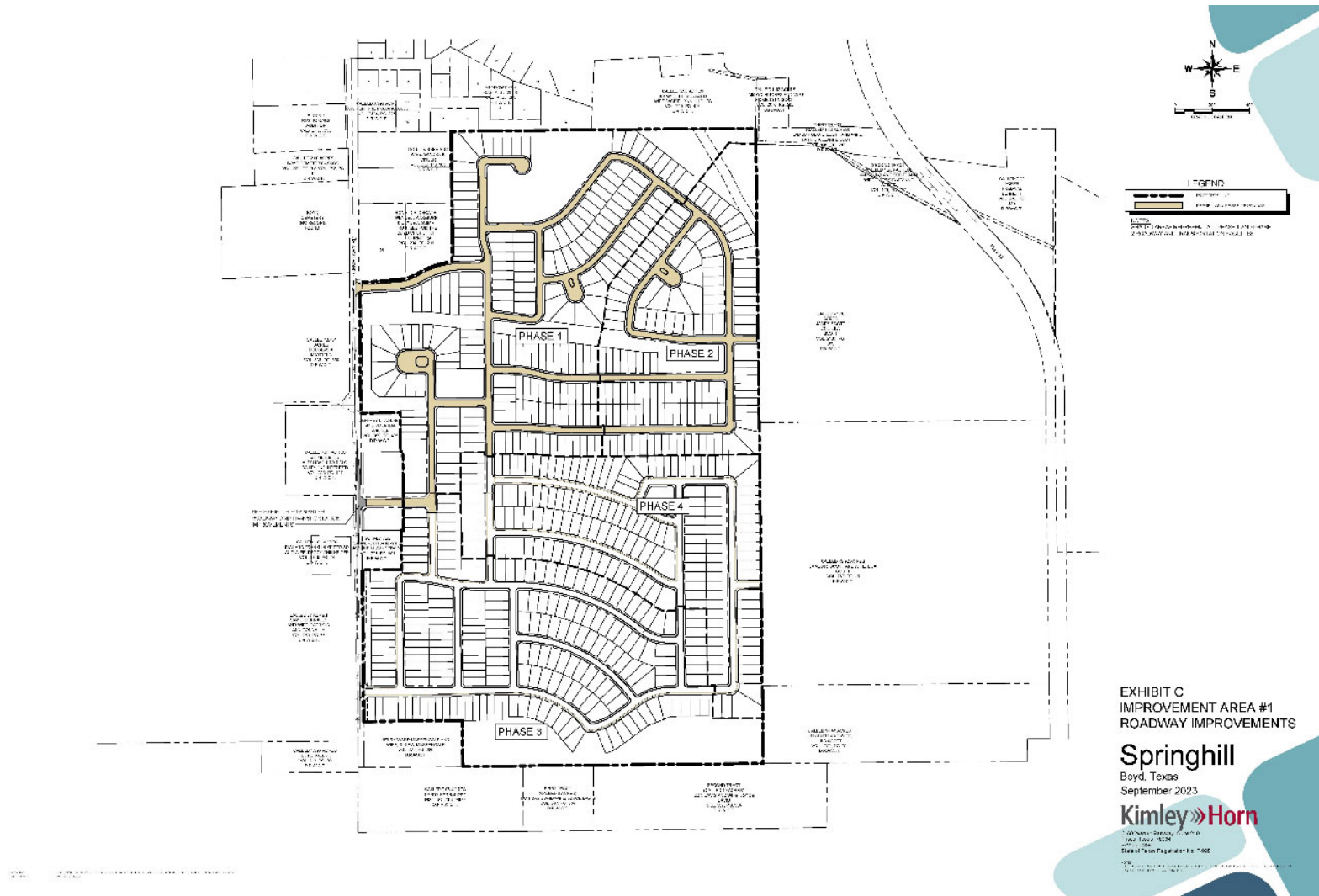
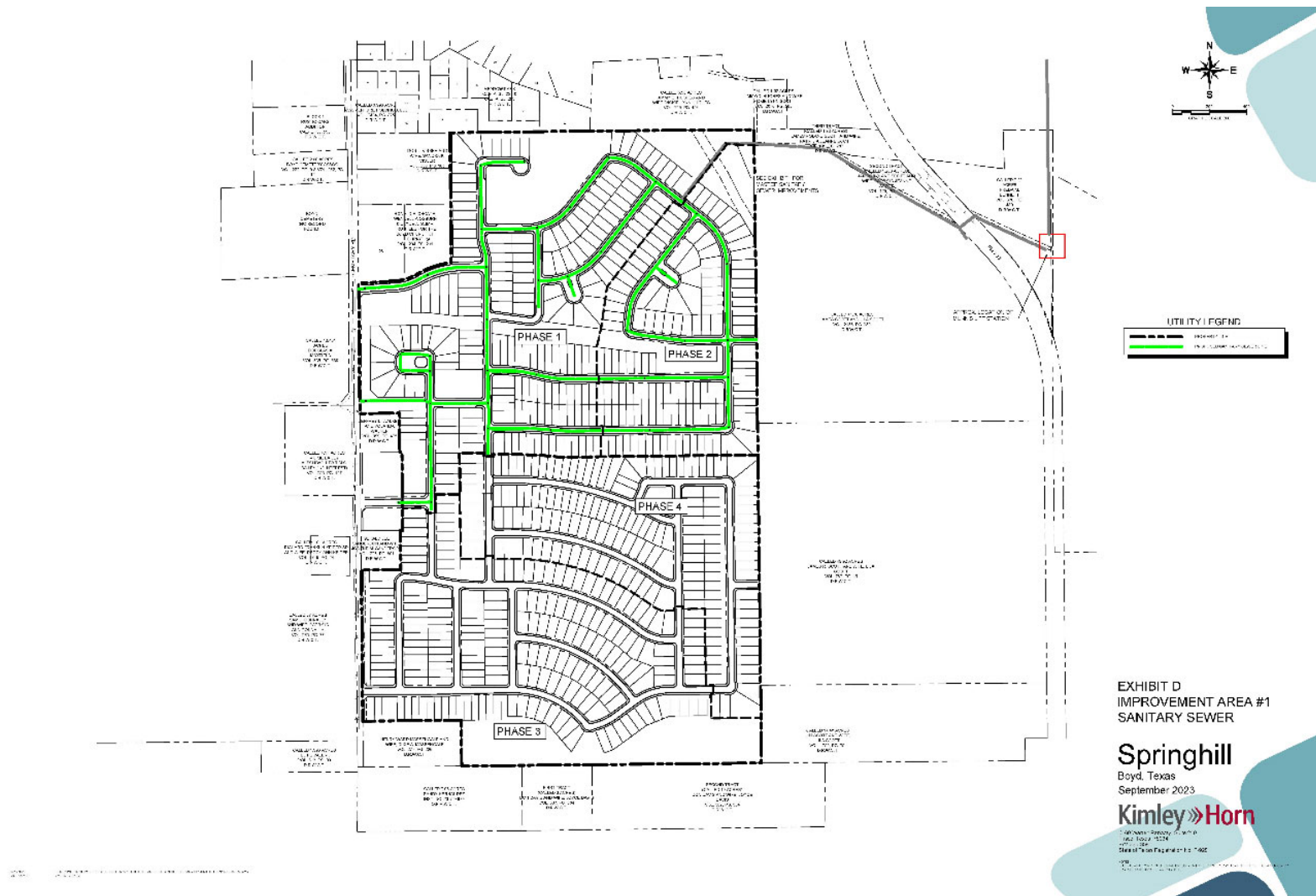
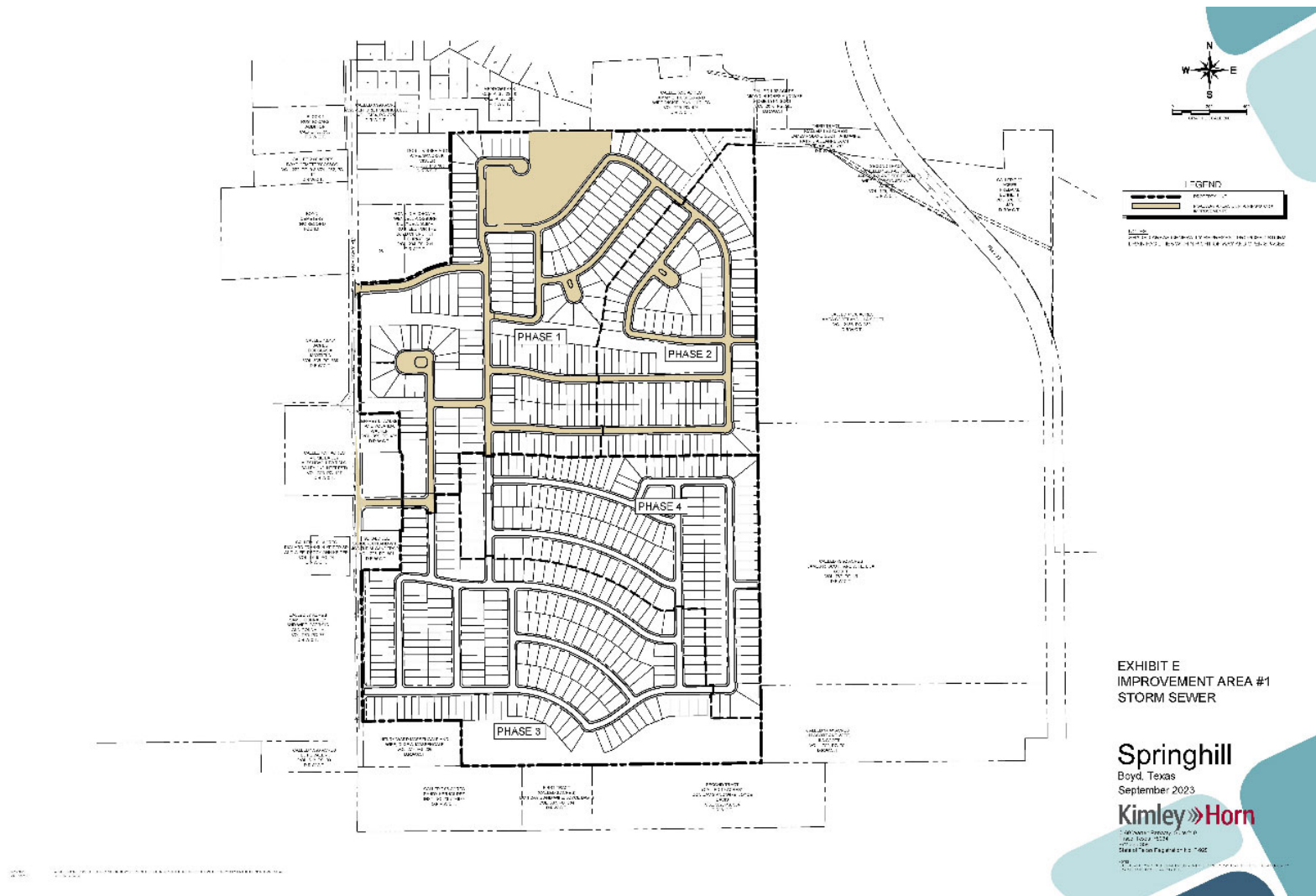
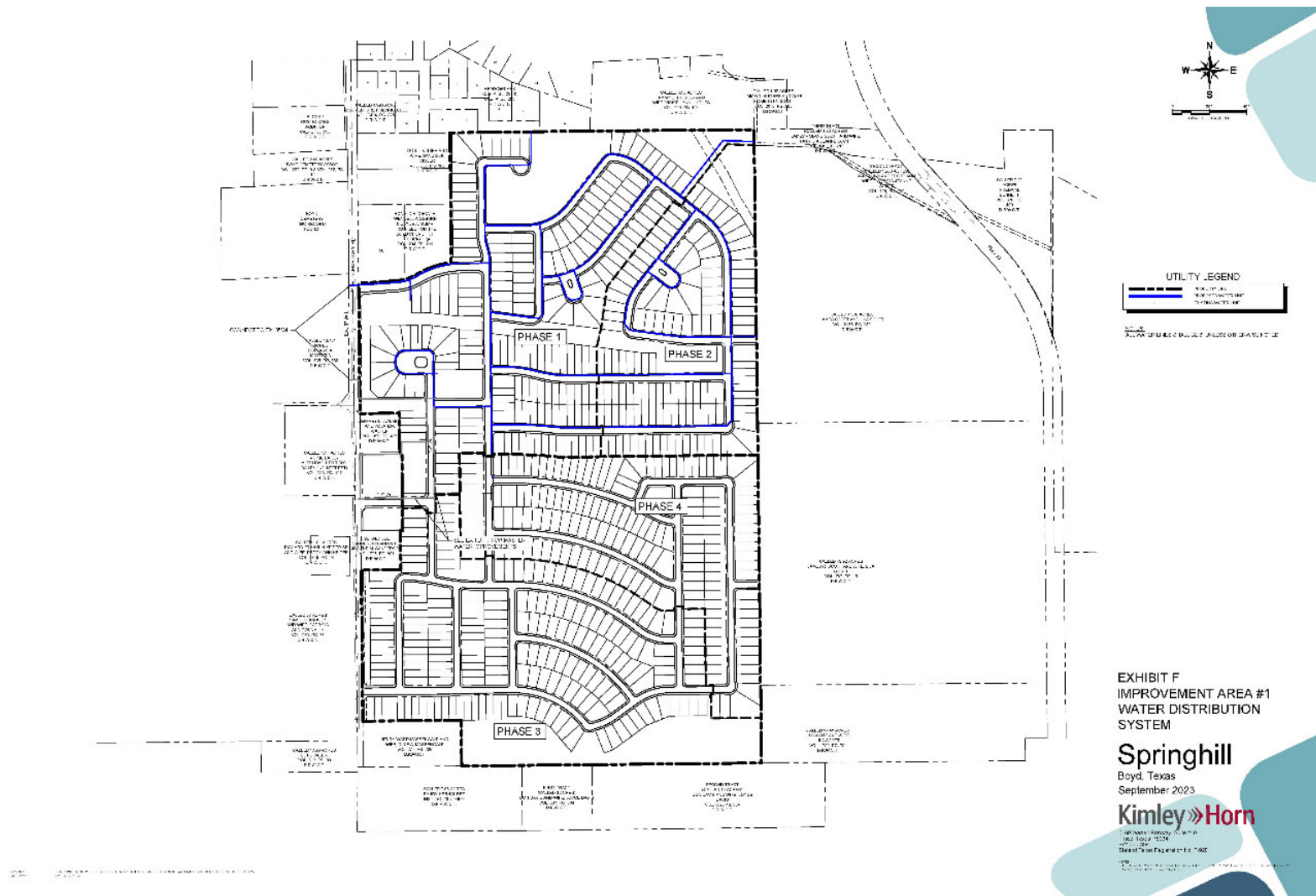


EXHIBIT J-2 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS









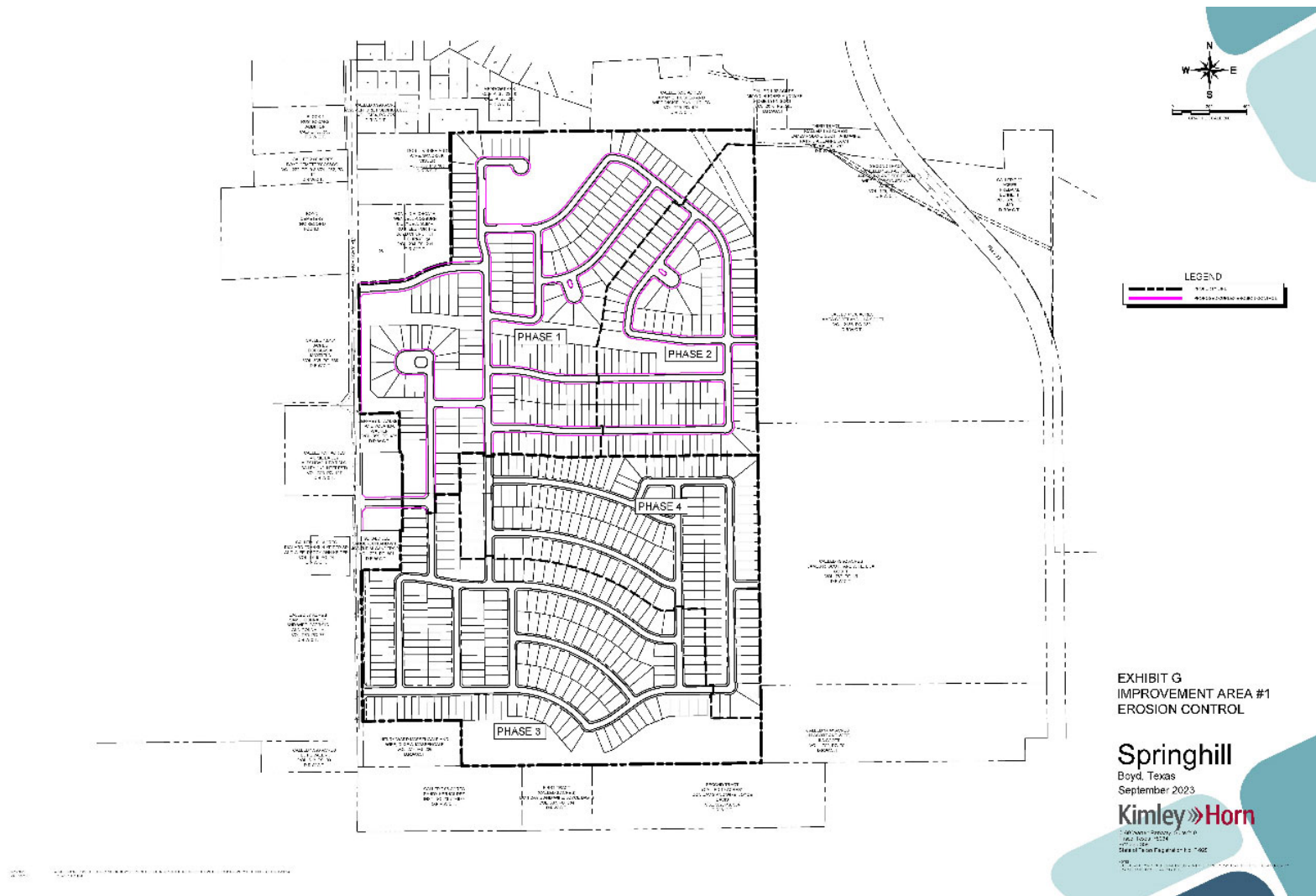
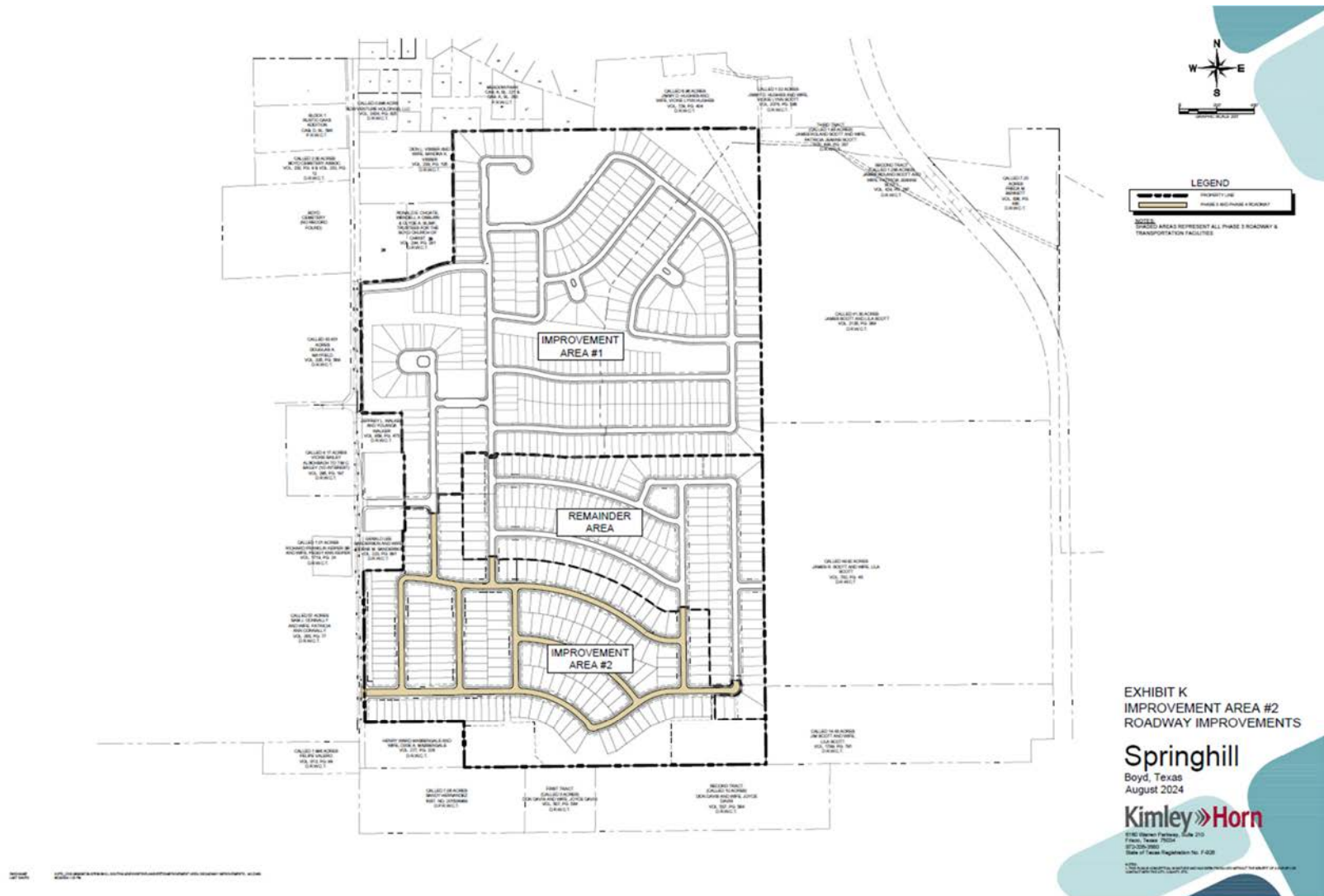
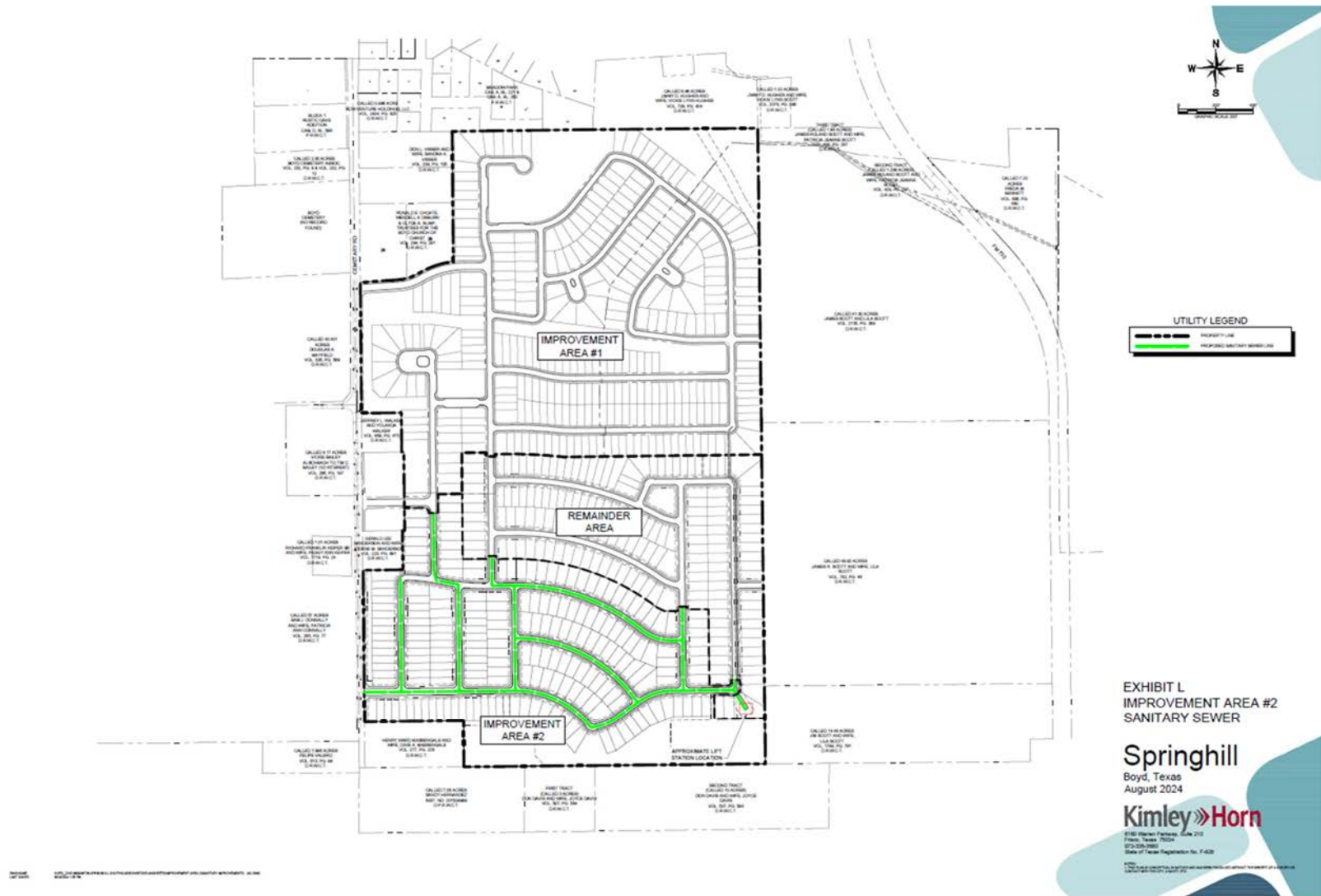
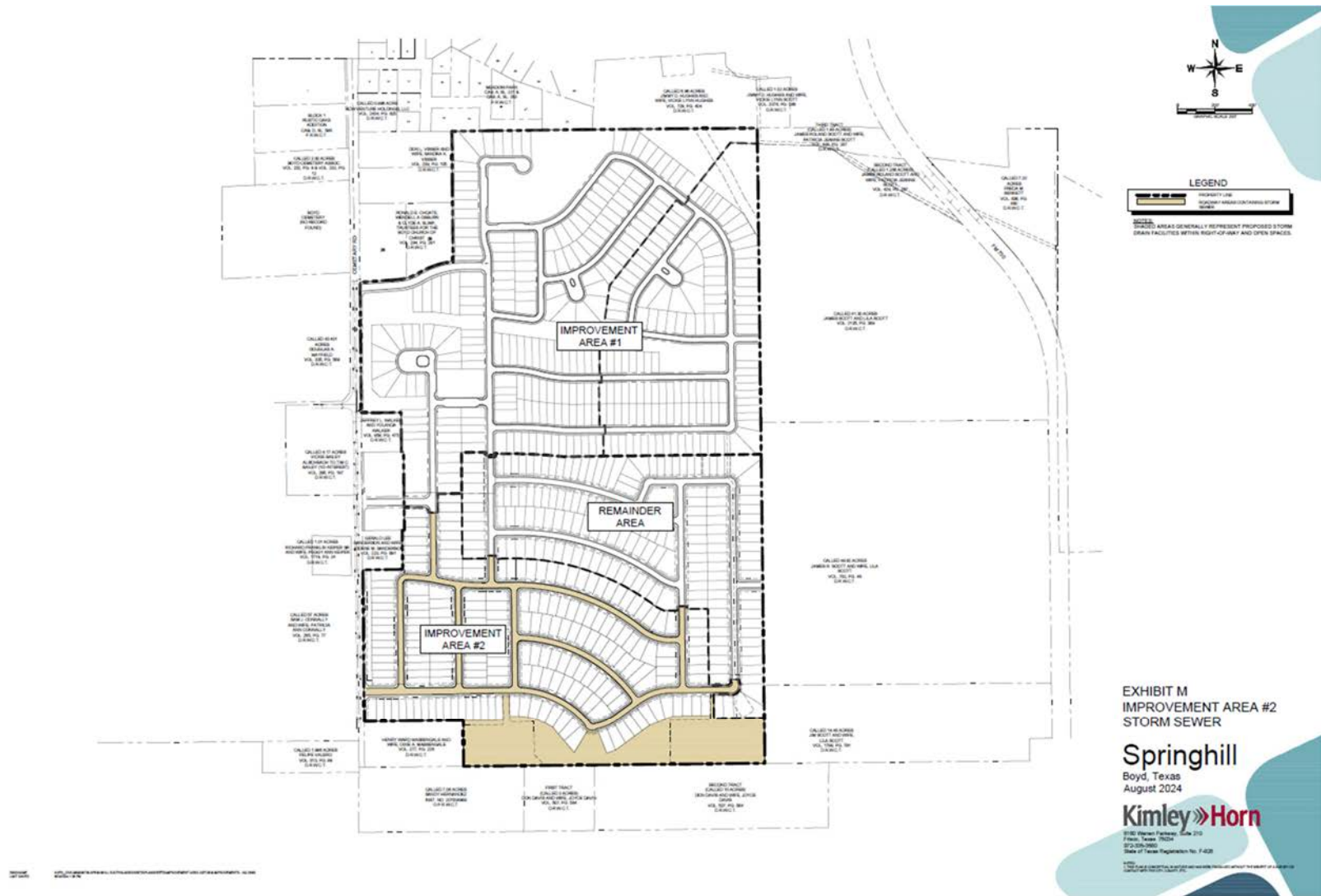


EXHIBIT J-3 – MAPS OF IMPROVEMENT AREA #2 IMPROVEMENTS







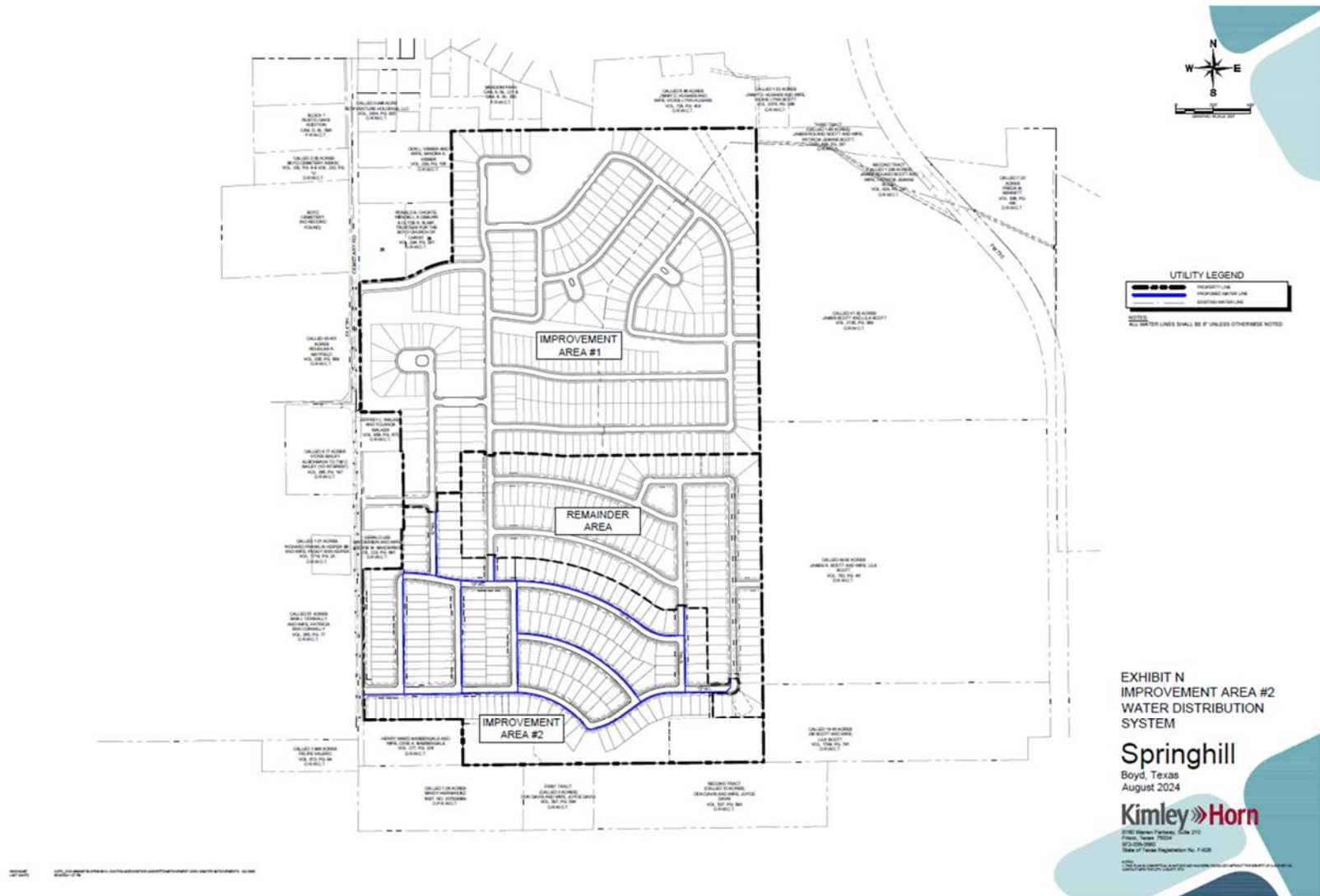
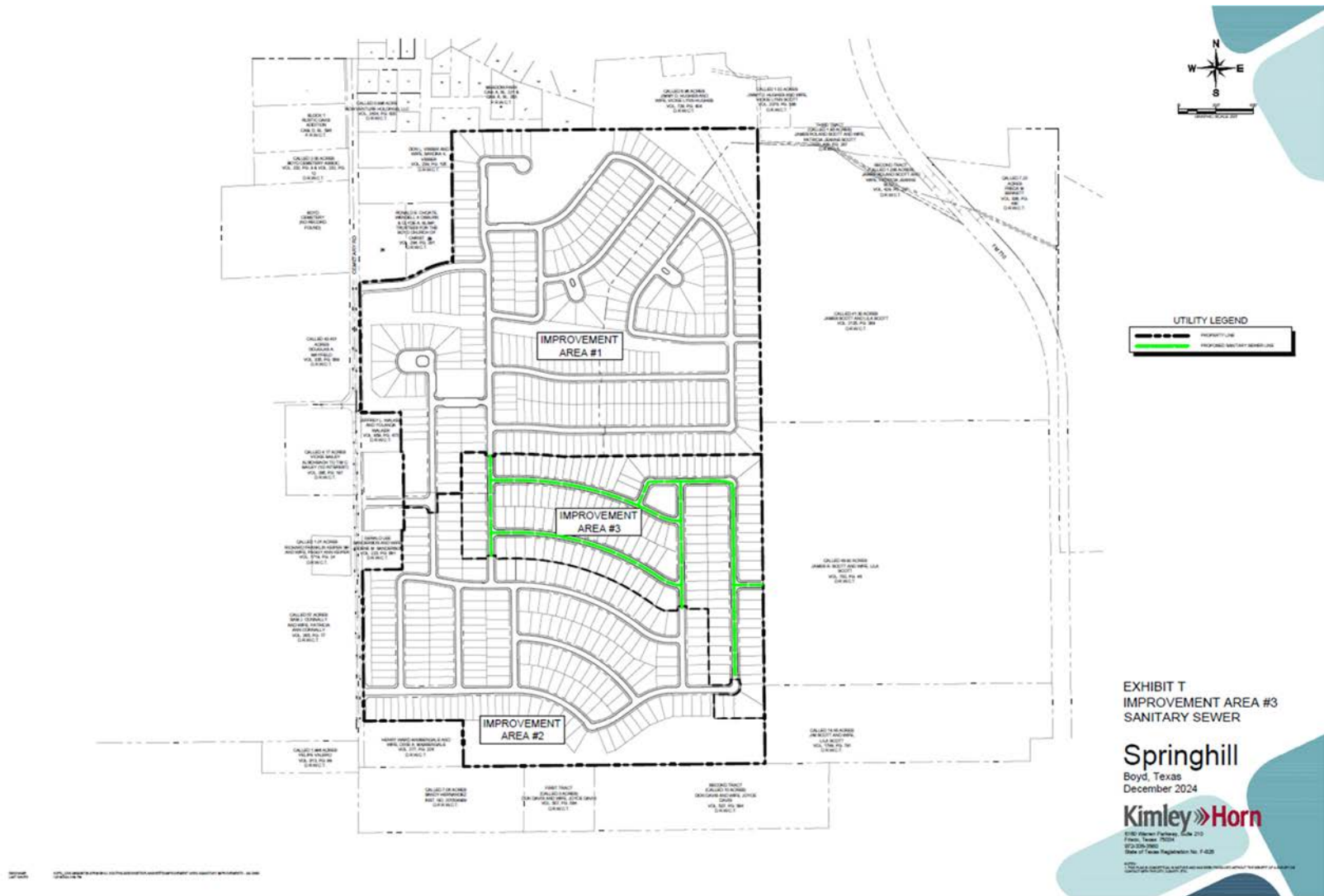
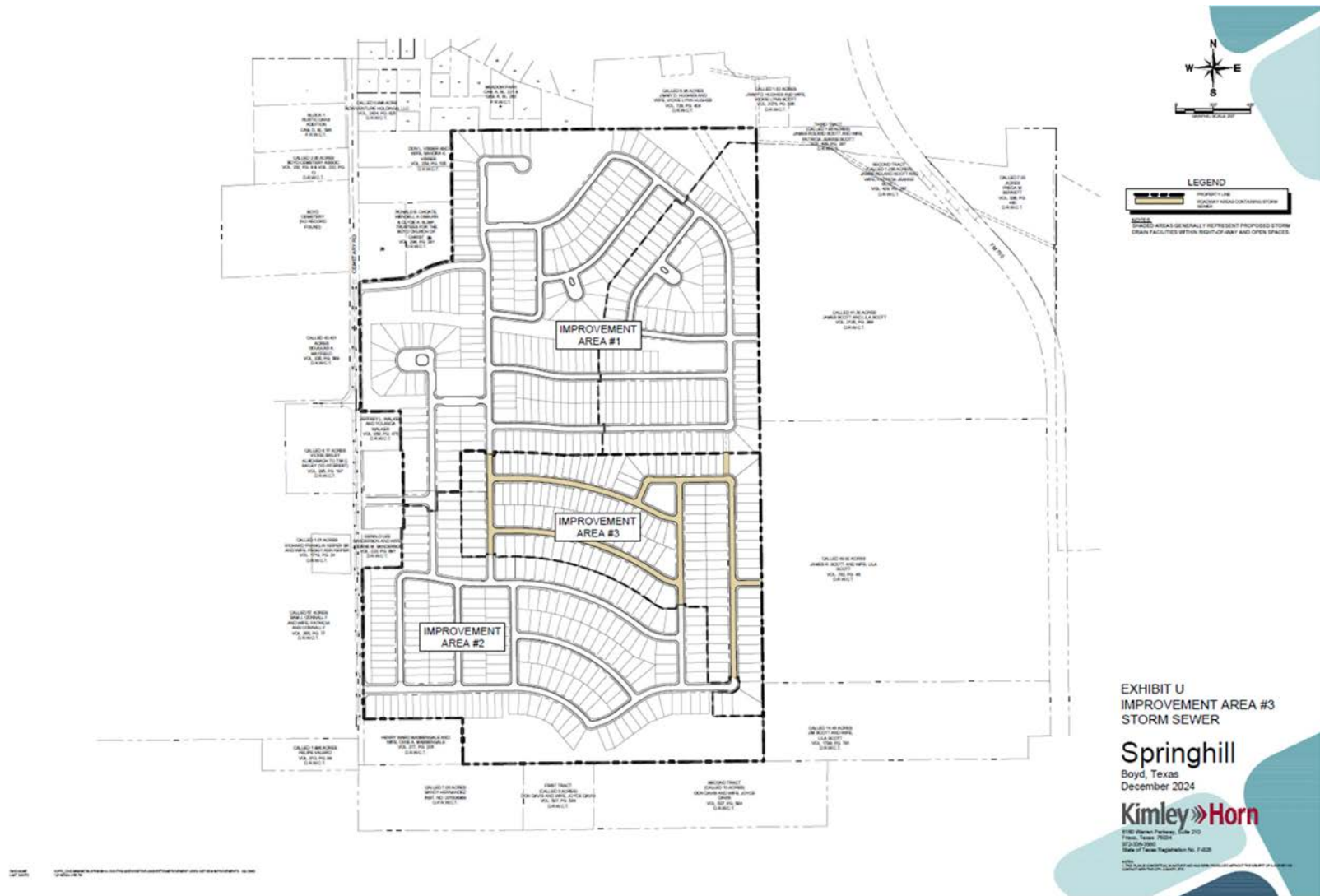
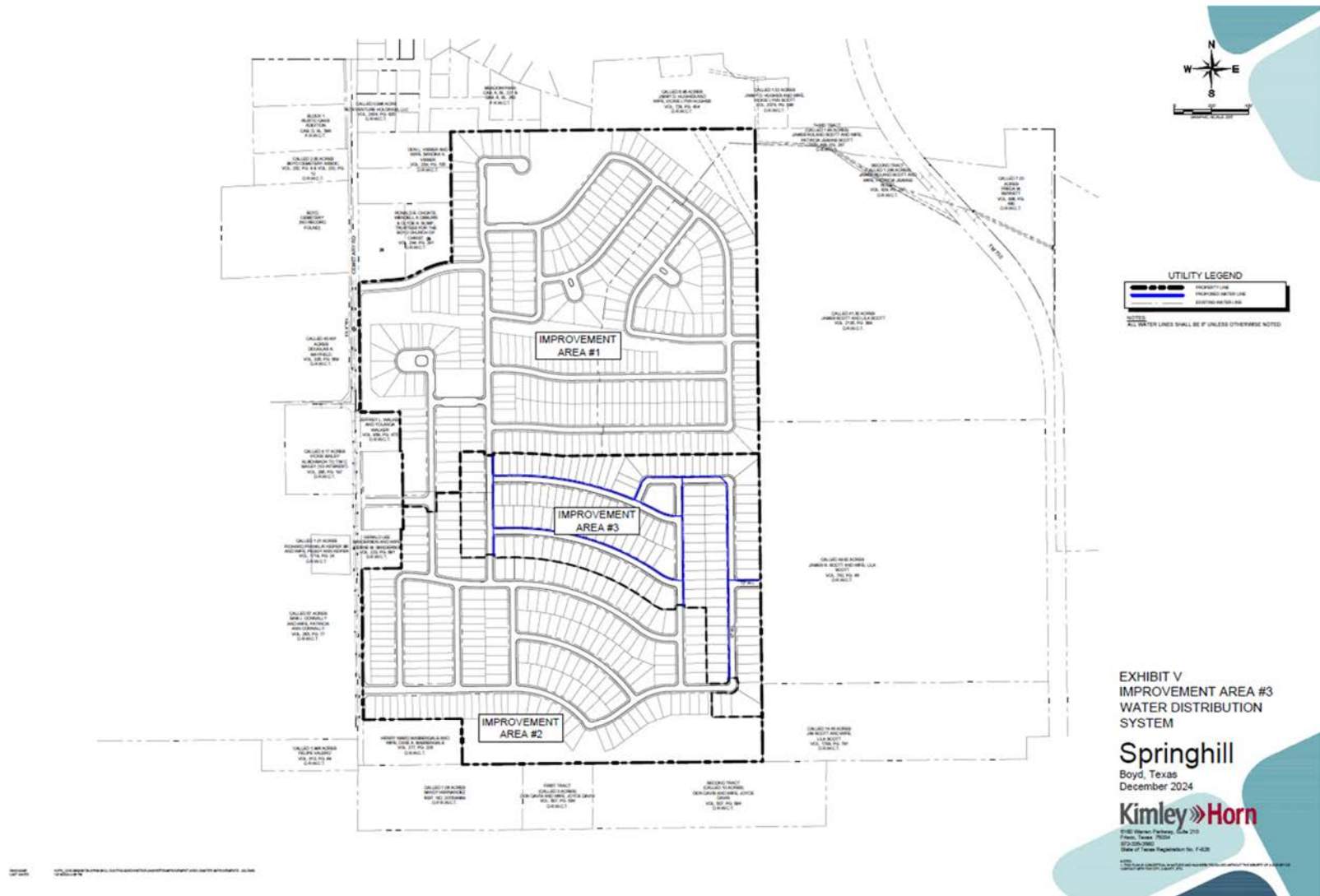


EXHIBIT J-4 – MAPS OF IMPROVEMENT AREA #3 IMPROVEMENTS









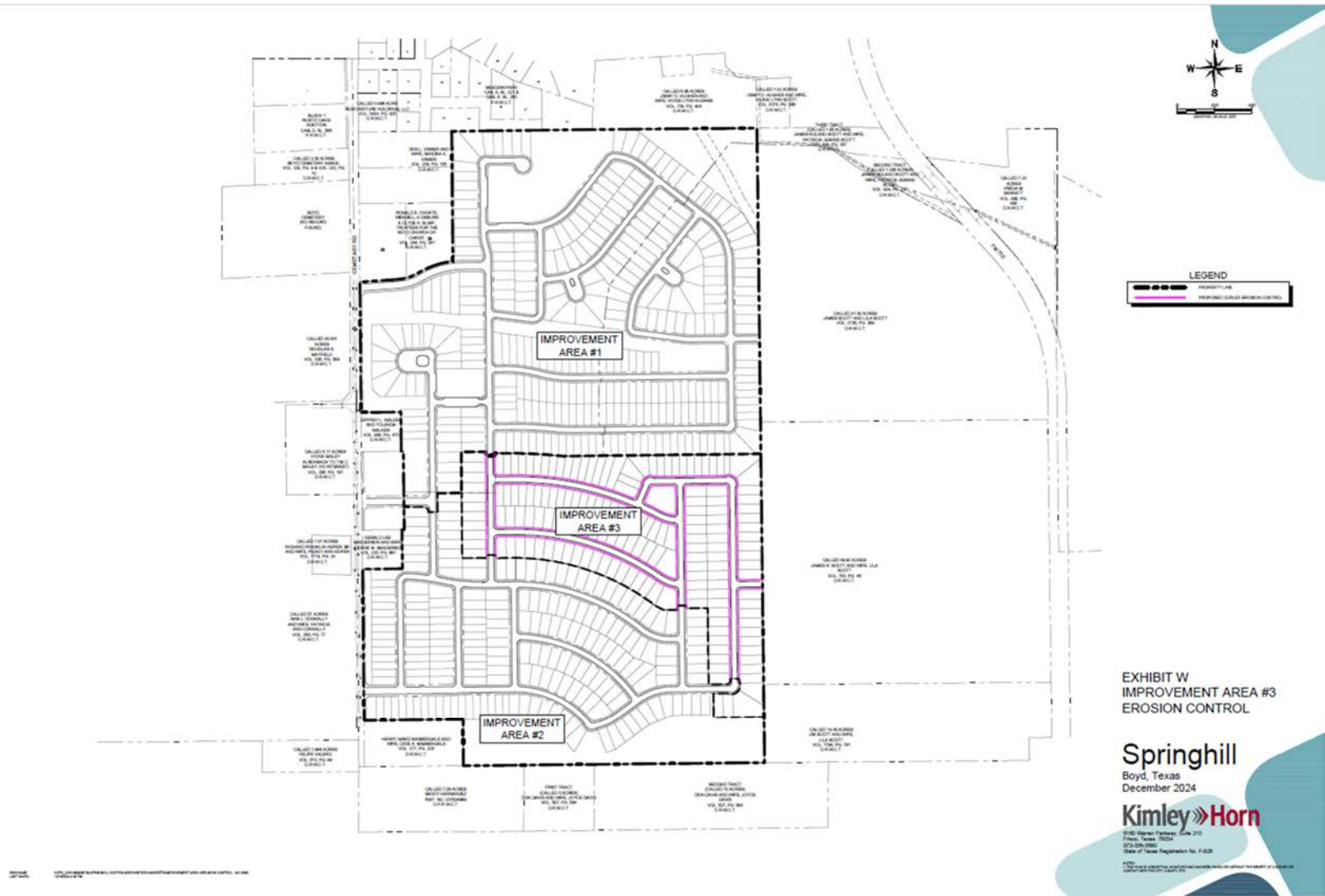


EXHIBIT K – FORM OF NOTICE OF ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Wise County Clerk's Office
Honorable [County Clerk]
109 S Jackson St
2nd Floor
Waxahachie, TX 75165

Re: City of Boyd Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Boyd is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents to my attention:

City of Boyd
Attn: City Secretary
731 E. Rock Island
Boyd, TX 76023

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
(817) 393-0353
Admin@P3-Works.com
www.P3-Works.com

**[City Secretary Name]
731 E. Rock Island
Boyd, TX 76023**

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Boyd, Texas, a Texas general law municipality (the "City").

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of Boyd, Texas is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits of the City; and

WHEREAS, on March 19, 2019, the City Council of the City approved Resolution No. R-2019-003-0001 creating the City of Boyd, Texas Public Improvement District No. 1 (the “District”); and

WHEREAS, the District consists of approximately 151.181 contiguous acres within the corporate limits of the City; and

WHEREAS, on _____, the City Council, approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the real property located with the District, the Assessment Ordinance being recorded on _____, as Instrument No. _____ in the official public records of Wise County, TX; and

WHEREAS, the Assessment Ordinance 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:

EXHIBIT L-1 – SPRINGHILL ADDITION PHASE 1 FINAL PLAT

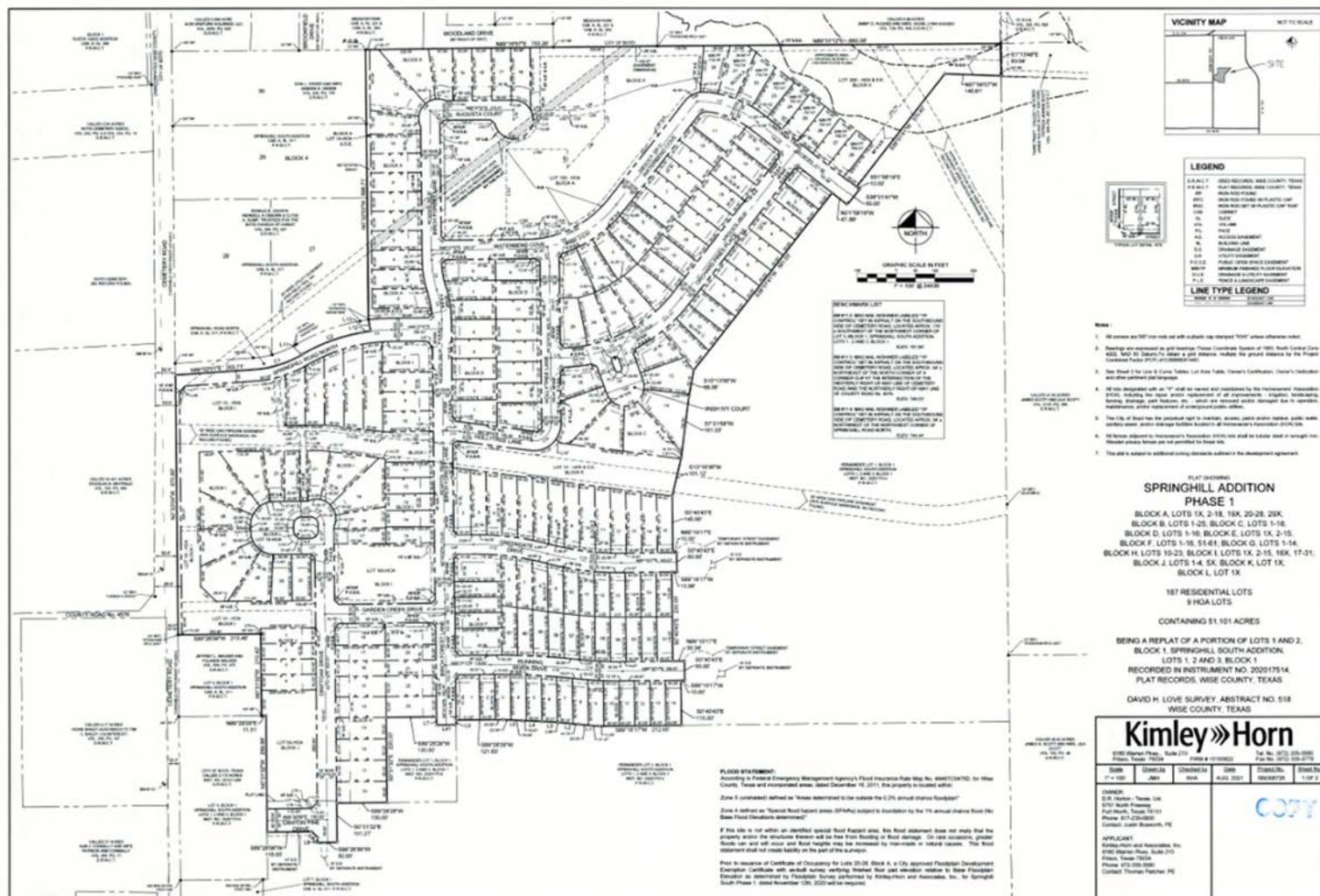
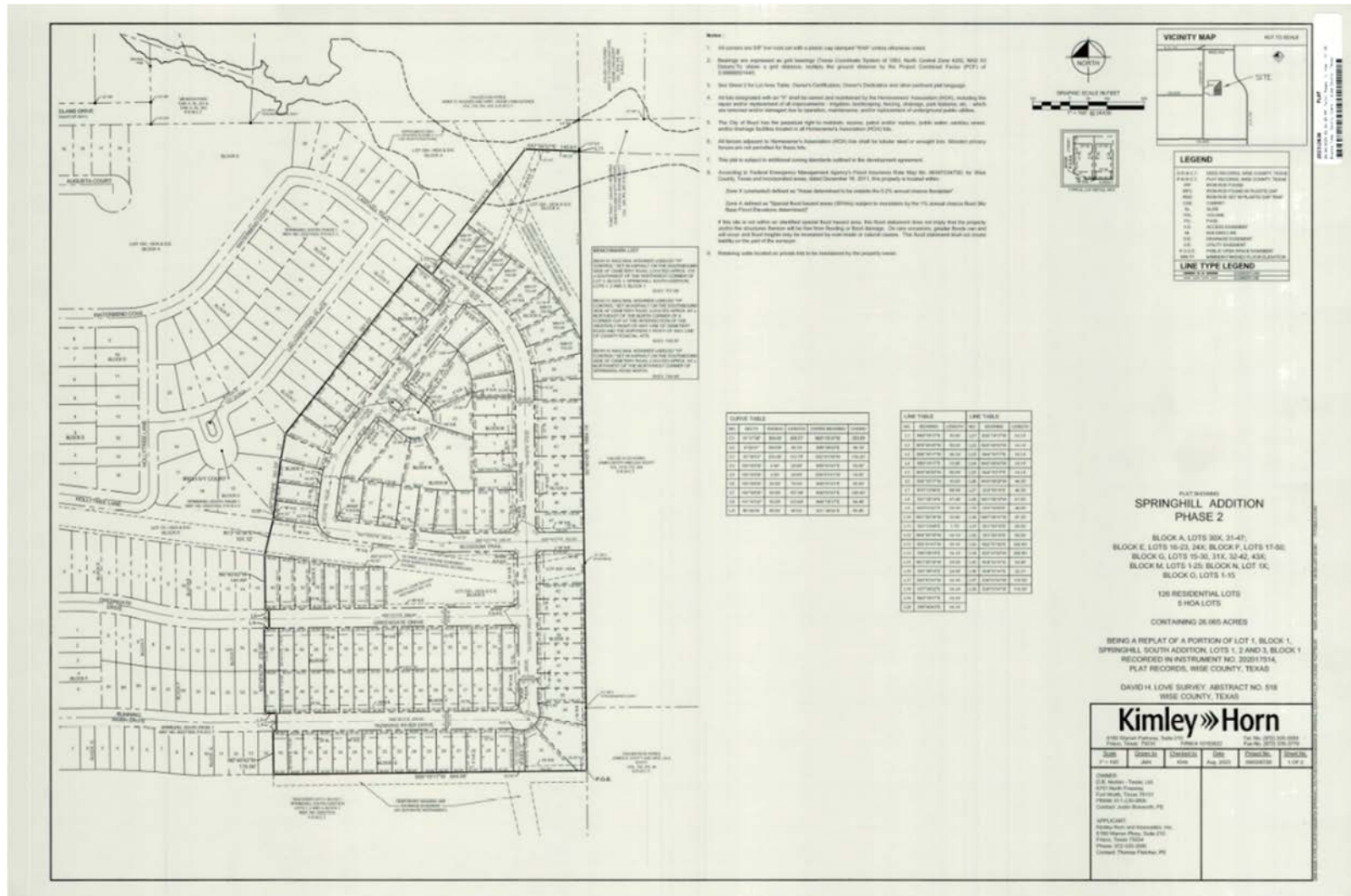


EXHIBIT L-2 – SPRINGHILL ADDITION PHASE 2 FINAL PLAT



[illegible]

EXHIBIT L-3 – SPRINGHILL ADDITION PHASE 3 FINAL PLAT

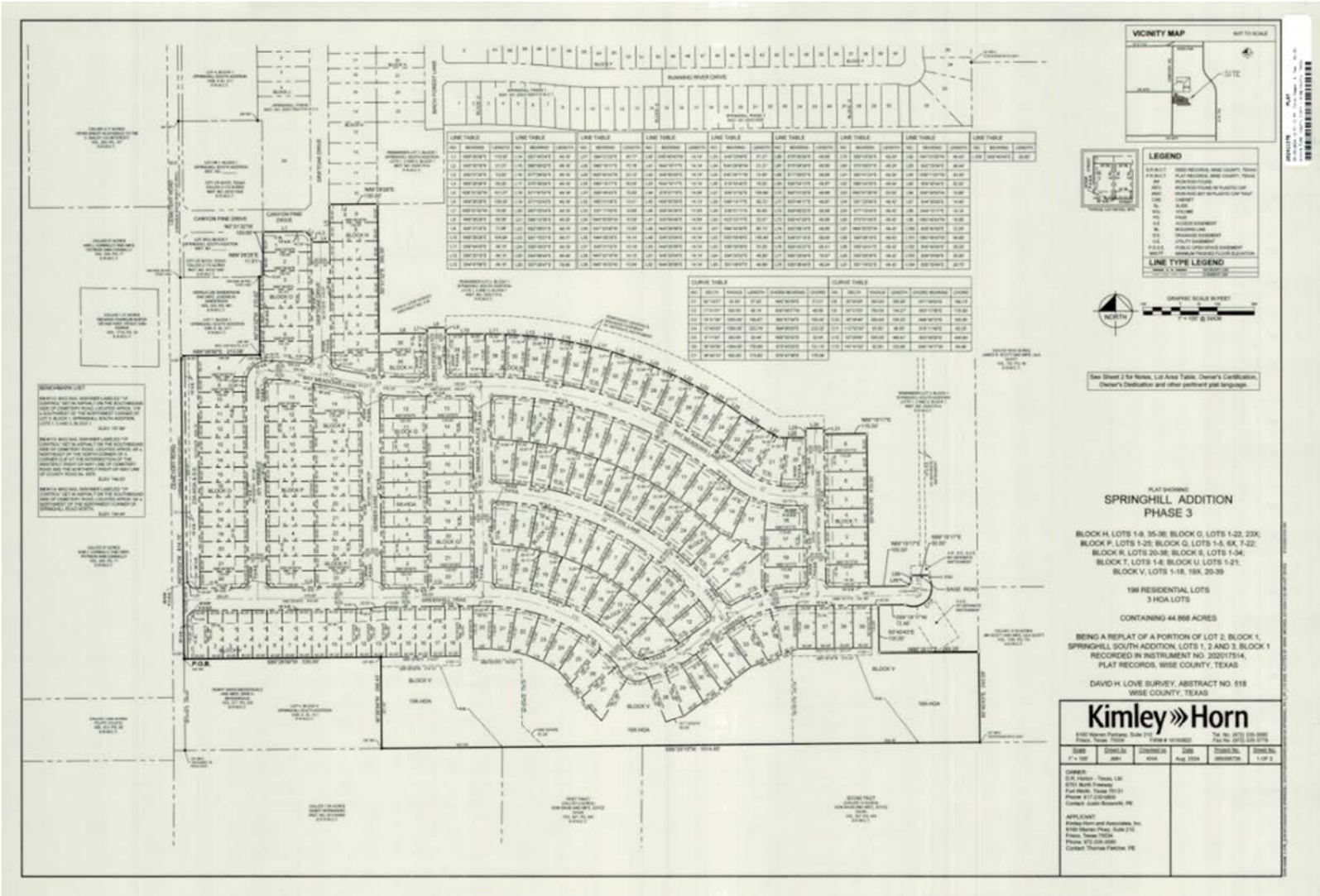


EXHIBIT M-1 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1 BONDS

DEBT SERVICE REQUIREMENTS

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

Year Ending (September 30)	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 360,000.00	\$ 265,322.43	\$ 625,322.43
2025	133,000.00	424,866.26	557,866.26
2026	138,000.00	419,213.76	557,213.76
2027	144,000.00	413,348.76	557,348.76
2028	150,000.00	407,228.76	557,228.76
2029	156,000.00	400,853.76	556,853.76
2030	163,000.00	394,223.76	557,223.76
2031	169,000.00	387,296.26	556,296.26
2032	178,000.00	378,635.00	556,635.00
2033	187,000.00	369,512.50	556,512.50
2034	197,000.00	359,928.76	556,928.76
2035	207,000.00	349,832.50	556,832.50
2036	217,000.00	339,223.76	556,223.76
2037	228,000.00	328,102.50	556,102.50
2038	240,000.00	316,417.50	556,417.50
2039	253,000.00	304,117.50	557,117.50
2040	266,000.00	291,151.26	557,151.26
2041	280,000.00	277,518.76	557,518.76
2042	294,000.00	263,168.76	557,168.76
2043	309,000.00	248,101.26	557,101.26
2044	326,000.00	232,265.00	558,265.00
2045	344,000.00	214,335.00	558,335.00
2046	363,000.00	195,415.00	558,415.00
2047	384,000.00	175,450.00	559,450.00
2048	406,000.00	154,330.00	560,330.00
2049	429,000.00	132,000.00	561,000.00
2050	453,000.00	108,405.00	561,405.00
2051	479,000.00	83,490.00	562,490.00
2052	505,000.00	57,145.00	562,145.00
2053	534,000.00	29,370.00	563,370.00
Total	<u>\$8,492,000.00</u>	<u>\$8,320,268.81</u>	<u>\$16,812,268.81</u>

EXHIBIT M-2 – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #2-3 BONDS

[To Be Provided At Bond Pricing.]

EXHIBIT N-1 – DISTRICT LEGAL DESCRIPTION

EXHIBIT A

BEING a tract of land situated in the David H. Love Survey, Abstract No. 518, Wise County, Texas, and being portions of Lots 11 and 12, all of Lots 1-3, Lots 8-10, and Lots 14-16, Block 1, Lots 1-18, Block 2, Lots 1-22, Block 3, Lots 1-3, and Lots 5-26, Block 4, all of First Street (a 60' wide right of way), Second Street (a 60' wide right of way), Third Street (a 60' wide right of way), Springhill Road South (a 60' wide right of way) and a portion of Springhill Road North (a 60' wide right of way), Springhill South Addition, an addition to Wise County, Texas, according to the Plat, recorded in Cabinet A, Slide 511 of the Plat Records of Wise County, Texas, same being the remaining portion of a called 169.950-acre tract of land described in a Warranty Deed to Gillespie Associates Real Estate, Inc., recorded in Volume 131, Page 435 of the Deed Records of Wise County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod found in an east-west barbed wire fence, for the west common corner of Lots 3 and 4, Block 4 of said Springhill South Addition, same being on the easterly right of way line of Cemetery Road, as dedicated in said Springhill South Addition;

THENCE North 00°33'04" West, along the easterly right of way line of said Cemetery Road, the westerly line of said Lots 3 and 1, Block 4, the westerly terminus of said Springhill Road South and the westerly line of said Lot 8, Block 1, a distance of 814.15 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for the west common corner of said Lot 8 and Lot 7 in said Block 1;

THENCE North 89°26'56" East, departing the easterly right of way line of said Cemetery Road, and along the common line of said Lots 7 and 8, a distance of 213.08 feet to a 5/8-inch iron rod found near a fence corner post, for the common corner of Lots 7, 8, 9 and 10 in said Block 1;

THENCE North 00°31'32" West, along the common line of said Lots 7 and 10, a distance of 210.42 feet to a 60d-nail found in a fence corner post, for the common corner of Lots 6, 7, 10 and 11 in said Block 1;

THENCE North 89°28'28" East, along the common line of said Lot 10 and 11, a distance of 11.51 feet to a point for corner;

THENCE North 00°31'32" West, departing the common line of said Lot 10 and 11, and crossing said Lots 11 and 12, Block 1, a distance of 420.84 feet to a point for corner, same being on the common line of said Lots 12 and 13, Block 1;

THENCE South 89°28'28" West, along the common line of said Lots 12 and 13, Block 1, a distance of 11.51 feet to a 5/8 iron rod found for the common corner of said Lots 4, 5, 12, and 13, Block 1;

THENCE North 00°31'32" West, along the common line of said Lots 4 and 13, a distance of 210.42 feet to a 5/8-inch iron rod found near a fence corner post, for the common corner of Lot 3, 4, 13 and 14 in said Block 1;

THENCE South 89°26'56" West, along the common line of said Lots 3 and 4, a distance of 213.46 feet to a 1/2-inch iron rod with a yellow plastic cap, stamped "STEADHAM RPLS 4281" found for the west common corner of said Lots 3 and 4, same being on the easterly right of way line of aforesaid Cemetery Road;

THENCE North 00°33'04" West, along the easterly right of way line of said Cemetery Road and the westerly line of Lots 3, 2 and 1 in said Block 1, passing the northwest corner of said Lot 1 and the southwest corner of aforesaid Springhill Road North, continuing along the westerly terminus of said Springhill Road North, a distance of 670.80 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set at the intersection of the centerline of said Springhill Road North with the easterly right of way line of said Cemetery Road;

THENCE in an easterly direction, departing the easterly right of way line of said Cemetery Road and along the centerline of said Springhill Road North, the following:

North 86°02'01" East, a distance of 203.71 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for the point of curvature of a tangent curve to the left;

Along the arc of said curve to the left, through a central angle of 26°05'26", having a radius 278.51 feet, a chord bearing of North 72°59'18" East, a chord distance of 125.73 feet and an arc length of 126.83 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for the point of reverse curvature of a curve to the right;

Along the arc of said curve to the right, through a central angle of 20°04'25", having a radius of 468.49 feet, a chord bearing of North 69°58'47" East, a chord distance of 163.30 feet and an arc length of 164.14 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for the point of tangency of said curve;

North 80°01'00" East, a distance of 22.33 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for a corner;

THENCE North 09°59'00" West, departing the centerline of said Springhill Road North, crossing said Springhill Road North, a distance of 30.00 feet to a 1/2-inch iron rod with a yellow plastic cap, stamped "EDWARDS SURVEYING" found on the northerly right of way line of said Springhill Road North, for the south common corner of Lots 26 and 27, Block 4 of said Springhill South Addition;

THENCE North 00°32'03" West, departing the northerly right of way line of said Springhill Road North, along the common line of said Lots 26, 27, 29 and 30 in said Block 4, a distance of 696.71 feet to a 1/2-inch iron rod found for the north common corner of said Lot 26 and said Lot 30, same being on the southerly line of Lot 14 of Meadow Park, an addition to the City of Boyd, Texas, according to the Plat, recorded in Cabinet A, Slide 221 and Cabinet A, Slide 263, both of the Plat Records of Wise County, Texas;

THENCE North 89°16'57" East, along the northerly line of Block 4 of said Springhill South Addition and the southerly line of said Meadow Park, a distance of 753.26 feet to a 1/2-inch iron rod with a yellow plastic cap, stamped "STEADHAM RPLS 4281" found for the southeast corner of Lot 22 in said Meadow Park and the southwest corner of a called 6.96-acre tract of land described in an Owelty Deed to Jimmy D. Hughes and wife, Vickie Lynn Hughes, recorded in Volume 729, Page 404 of the Deed Records of Wise County, Texas;

THENCE North 89°31'12" East, continuing along the northerly line of said Block 4 and along the southerly line of said 6.96-acre tract, a distance of 883.58 feet to a 3/4-inch iron rod found for the northeast corner of said Block 4 and the southeast corner of said 6.96-acre tract, same being the northwest corner of a Third Tract (called 1.8-acres), described in a Warranty Deed with Vendor's Lien to James Roland Scott and wife, Patricia Jeanne Scott, recorded in Volume 429, Page 287 of the Deed Records of Wise County, Texas;

THENCE South 01°13'48" East, along the easterly line of said Block 4 and the westerly line of said Third Tract (called 1.8-acres), a distance of 85.43 feet to the southwest corner of said Third Tract, same being the northwest corner of a called 41.30-acre tract of land described in a General Warranty Deed to James Scott and Lila Scott, recorded in Volume 2135, Page 389 of the Deed Records of Wise County, Texas;

THENCE South 00°40'43" East, continuing along the easterly line of said Block 4 and along the westerly line of said 41.30-acre tract, passing a 1/2-inch iron rod with a yellow plastic cap, stamped "STEADHAM RPLS 4281" found for the westerly common corner of said 41.30-acre tract and a called 49.92-acre tract of land described in a Warranty Deed to James R. Scott and wife, Lila Scott, recorded in Volume 782, Page 46 of the Deed Records of Wise County, Texas, continuing along the easterly line of said Block 4 and the westerly line of said 49.92-acre tract, passing the westerly common corner of said 49.92-acre tract and a called 14.48-acre tract of land described in a Warranty Deed with Vendor's Lien to Jim Scott and wife, Lila Scott, recorded in Volume 1799, Page 791 of the Deed Records of Wise County, Texas, continuing along the easterly line of said Block 4 and the westerly line of said 14.48-acre tract, a total distance of 3,322.73 feet to a 1/2-inch iron rod with a yellow plastic cap, stamped "STEADHAM RPLS 4281" found for the southwest corner of said 14.48-acre tract and the southeast corner of said Block 4, same being on the northerly line of a Second Tract (called 10-acres), described in a Warranty Deed with Vendor's Lien to Don Davis and wife, Joyce Davis, recorded in Volume 507, Page 584 of the Deed Records of Wise County, Texas;

THENCE South 89°25'15" West, along the southerly line of said Block 4, the northerly line of said Second Tract (called 10-acres), the northerly line of a First Tract (called 3-acres), described in said deed to Don Davis and wife, Joyce Davis, recorded in Volume 507, Page 584 of the Deed Records of Wise County, Texas, and the northerly line of a called 7.06-acre tract of land described in a General Warranty Deed with Vendor's Lien to Sandy Hernandez, recorded in Instrument No. 201504989 of the Official Public Records of Wise County, Texas, a total distance of 1,614.65 feet to a 5/8-inch iron rod found for the south common corner of Lot 4 and Lot 5 in said Block 4;

THENCE North 00°26'04" West, along the common line of said Lots 4 and 5, a distance of 246.43 feet to a 5/8-inch iron rod found near a fence corner post for the east common corner of said Lot 4 and Lot 3 in said Block 4;

THENCE South 89°26'56" West, along the common line of said Lots 3 and 4, a distance of 530.93 feet to the **POINT OF BEGINNING** and containing 151.181 acres (6,585,453 square feet) of land, more or less

EXHIBIT N-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

BEING a tract of land situated in the David H. Love Survey, Abstract No. 518, Wise County, Texas, and being a portion of Lots 1 & 2, Block 1, Springhill South Addition Lots 1, 2 & 3, Block 1, an addition to Wise County, Texas, according to the plat thereof, recorded in Instrument No. 202017514, Plat Records, Wise County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 3/4-inch iron rod found for the northeast corner of said Lot 1, common to the southwest corner of a called 6.96-acre tract of land described in a deed to Jimmy D. Hughes and wife, Vickie Lynn Hughes, recorded in Volume 729, Page 404, Deed Records, Wise County, Texas, same being the southwest corner of a called 1.02-acre tract of land described in a deed to Jimmy D. Hughes and wife, Vickie Lynn Scott, recorded in Volume 2076, Page 586, said Deed Records, same also being the northwest corner of a called 1.98-acre tract of land described as Third Tract in a deed to James Roland Scott and wife, Patricia Jeanne Scott, recorded in Volume 429, Page 287, said Deed Records;

THENCE South 1°13'48" East, along the common line of said Lot 1 and said 1.98-acre tract, a distance of 85.43 feet to the southwest corner of said 1.98-acre tract, common to the northwest corner of called 41.30-acre tract of land described in a deed to James Scott and Lila Scott, recorded in Volume 2135, Page 389, said Deed Records;

THENCE South 0°40'43" East, along the common line of said Lot 1 and said 41.30-acre tract and along the westerly line of a called 49.92-acre tract of land described in a deed to James R. Scott and wife, Lila Scott, recorded in Volume 782, Page 46, said Deed Records, a distance of 1664.14 feet to the southeast corner of said Lot 1, common to the northeast corner of said Lot 2;

THENCE departing the westerly line of said 41.30-acre tract and along the common line of said Lots 1 & 2 the following courses and distances:

South 89°19'17" West, a distance of 1057.31 feet to a point for corner;

North 85°11'45" West, a distance of 52.98 feet to a point for corner;

North 84°20'00" West, a distance of 52.88 feet to a point for corner;

North 87°16'34" West, a distance of 42.13 feet to a point for corner;

North 87°43'33" West, a distance of 50.07 feet to a point for corner;

North 87°16'59" West, a distance of 50.09 feet to a point for corner;

South 89°28'28" West, a distance of 121.83 feet to the northernmost northwest corner of said Lot 2;

South 0°31'32" East, a distance of 11.45 feet to a point for corner;

THENCE departing said common line and crossing said Lot 1 the following courses and distances:

South 88°57'38" West, a distance of 50.00 feet to a point for corner;

North 0°31'32" West, a distance of 20.88 feet to a point for corner;

South 89°28'28" West, a distance of 130.00 feet to a point for corner;

South 0°31'32" East, a distance of 220.00 feet to a point for corner on the
aforementioned common line of said Lots 1 & 2;

THENCE South 89°28'28" West, along said common line, a distance of 130.00 feet to a point for corner;

THENCE departing said common line and crossing said Lot 2 the following courses and distances:

South 0°31'32" East, a distance of 101.27 feet to a point for corner;

South 89°26'56" West, a distance of 50.00 feet to a point for corner;

North 0°31'32" West, a distance of 13.52 feet to a point for corner;

North 45°32'18" West, a distance of 21.21 feet to a point for corner;

South 89°26'56" West, a distance of 115.00 feet to a point for corner on the common line
of said Lot 2 and Lot 3, Block 1, said Springhill South Addition;

THENCE North 0°31'32" West, along said common line and along the westerly line of said Lot 1, a distance of 299.99 feet to the northeast corner of said Lot 3;

THENCE South 89°28'28" West, along the common line of said Lots 1 & 3, a distance of 11.51 feet to a 5/8-inch iron rod found for the southeast corner of Lot 4, Block 1, Springhill South Addition, an addition to Wise County, Texas, according to the plat thereof recorded in Cabinet A, Page 511, said Plat Records;

THENCE North 0°31'32" West, along the common line of said Lots 1 & 4, a distance of 210.42 feet to a 5/8-inch iron rod found for the northeast corner of said Lot 4;

THENCE South 89°26'56" West, continuing along said common line, a distance of 213.46 feet to a 1/2-inch iron rod with plastic cap stamped "STEADHAM RPLS 4281" found for the westernmost southwest corner of said Lot 1, common to the northwest corner of said Lot 4, same being on the easterly right-of-way line of Cemetery Road (variable width right-of-way);

THENCE North 0°33'04" West, along the common line of said Lot 1 and said Cemetery Road, a distance of 670.80 feet to the westernmost northwest corner of said Lot 1, common to the intersection of the easterly right-of-way line of said Cemetery Road and the southerly right-of-way line of Springhill Road North (30-foot wide right-of-way);

THENCE along the common line of said Lot 1 and said Springhill Road North the following courses and distances:

North 86°02'01" East, a distance of 203.71 feet to a point at the beginning of a tangent curve to the left having a central angle of 26°05'26", a radius of 278.51 feet, a chord bearing and distance of North 72°59'18" East, 125.73 feet;

In a northeasterly direction, with said curve to the left, an arc distance of 126.83 feet to a point for the end of said curve to the left;

North 59°56'35" East, a distance of 5.34 feet to a point at the beginning of a tangent curve to the right having a central angle of 20°04'25", a radius of 468.49 feet, a chord bearing and distance of North 69°58'47" East, 163.30 feet;

In a northeasterly direction, with said curve to the right, an arc distance of 164.14 feet to a point for the end of said curve to the right;

North 80°01'00" East, a distance of 22.33 feet to a point for corner;

North 9°59'00" West, a distance of 30.00 feet to a 1/2-inch iron rod with plastic cap stamped "EDWARDS SURVEYING" found for corner, common to the southeast corner of Lot 27, Block 4, said Springhill South Addition (A-511);

THENCE North 0°32'03" West, along the common line of said Lots 1 & 27 and along the easterly line of Lots 29 & 30, Block 4, said Springhill South Addition (A-511), a distance of 696.71 feet to a 1/2-inch iron rod found for the northernmost northwest corner of said Lot 1, common to the northeast corner of said Lot 30, same being on the southerly line of Lot 14, Meadow Park, an addition to the City of Boyd, Texas, according to the plat thereof recorded in Cabinet A, Page 221 & Cabinet A, Page 263, said Plat Records;

THENCE North 89°16'57" East, along the common line of said Lot 1 and said Meadow Park, a distance of 753.26 feet to a 1/2-inch iron rod with plastic cap stamped "STEADHAM RPLS 4281" found for the southeast corner of said Meadow Park, common to the southwest corner of a called 6.96-acre tract of land described in a deed to Jimmy D. Hughes and wife, Vickie Lynn Hughes, recorded in Volume 729, Page 404, Deed Records, Wise County, Texas;

THENCE North 89°31'12" East, along the common line of said Lot 1 and said 6.96-acre tract, a distance of 883.58 feet to the POINT OF BEGINNING and containing 77.166 acres (3,361,369 sq. ft.) of land, more or less.

EXHIBIT N-3 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

BEING a tract of land situated in the David H. Love Survey, Abstract No. 518, Wise County, Texas and being a portion of Lot 2, Block 1, Springhill South Addition, Lots 1, 2 and 3, Block 1, an Addition to Wise County according to the plat thereof recorded in Instrument No. 202017514, Plat Records, Wise County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod found for the westernmost southwest corner of said Lot 2, common to the northeast corner of Lot 4, Block 4, Springhill South Addition, an Addition to Wise County according to the plat thereof recorded in Cabinet A, slide 511, said Plat Records, same being on the easterly right-of-way line of Cemetery Road (variable width right-of-way);

THENCE North 00°33'04" West, along the common line of said Lot 2 and said Cemetery Road, a distance of 814.15 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the westernmost northwest corner of said Lot 2, common to the southwest corner of Lot 7, Block 1, said Springhill South Addition (A-511);

THENCE North 89°26'56" East, departing the easterly right-of-way line of said Cemetery Road and along the common line of said Lots 2 & 7, a distance of 213.08 feet to a 5/8-inch iron rod found for the southeast corner of said Lot 7;

THENCE North 00°31'32" West, along said common line, a distance of 210.42 feet to a 60d nail in a fence corner post found for the northeast corner of said Lot 7, same being on the southerly line of Lot 3, Block 1, said Springhill South Addition (202017514);

THENCE North 89°28'28" East, along the common line of said Lots 2 & 3, a distance of 11.51 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the southeast corner of said Lot 3;

THENCE North 00°31'32" West, continuing along said common line, a distance of 120.85 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for a southwest corner of Springhill, Phase 1, an Addition to Wise County according to the plat thereof recorded in Instrument No. 202211925, said Plat Records, common to the south corner of the western terminus of Canyon Pine Drive (60-foot wide right-of-way);

THENCE departing said common line and along the southerly line of said Springhill, Phase 1 the following courses and distances:

North 89°26'56" East, a distance of 112.22 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 50°23'15" East, a distance of 23.26 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 00°31'32" East, a distance of 13.52 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°26'56" East, a distance of 50.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 00°31'32" West, a distance of 101.27 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the southwest corner of Lot 10, Block H, said Springhill, Phase 1;

North 89°28'28" East, a distance of 130.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the southeast corner of said Lot 10;

THENCE departing the southerly line of said Springhill, Phase 1 and crossing said Lot 2 the following courses and distances:

South 00°31'32" East, a distance of 350.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°28'28" East, a distance of 130.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 00°31'32" West, a distance of 15.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°28'28" East, a distance of 50.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 00°31'32" East, a distance of 17.98 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°28'28" East, a distance of 104.84 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 89°04'03" East, a distance of 49.15 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 86°25'16" East, a distance of 49.14 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 84°47'56" East, a distance of 49.15 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 81°40'24" East, a distance of 49.16 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 80°00'02" East, a distance of 49.16 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 77°08'50" East, a distance of 49.16 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 75°36'00" East, a distance of 49.18 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 71°57'07" East, a distance of 49.18 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 71°03'43" East, a distance of 49.18 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 67°33'24" East, a distance of 49.19 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 66°12'36" East, a distance of 49.20 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 62°09'01" East, a distance of 49.19 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 61°15'21" East, a distance of 49.17 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 58°39'07" East, a distance of 49.18 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 54°58'44" East, a distance of 49.44 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 57°20'47" East, a distance of 78.80 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 64°21'20" East, a distance of 40.77 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°19'17" East, a distance of 70.78 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 00°40'43" West, a distance of 22.12 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°19'17" East, a distance of 50.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 00°40'43" East, a distance of 15.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°19'17" East, a distance of 115.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 00°40'43" East, a distance of 410.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°19'17" East, a distance of 105.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 44°19'17" East, a distance of 14.14 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 00°40'43" West, a distance of 19.08 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°19'17" East, a distance of 50.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 00°40'43" East, a distance of 12.29 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right with a radius of 50.00 feet, a central angle of 141°41'02", and a chord bearing and distance of South 44°19'17" West, 94.46 feet;

In a southwesterly direction, with said non-tangent curve to the right, an arc distance of 123.64 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 89°19'17" West, a distance of 72.48 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

South 00°40'43" East, a distance of 130.00 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°19'17" East, a distance of 269.28 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner on the easterly line of said Lot 2, same being on the westerly line of a called 14.48-acre tract of land described in a deed to Jim Scott and wife, Lila Scott, recorded in Volume 1799, Page 791, Deed Records, Wise County, Texas;

THENCE South 00°40'43" East, along the common line of said Lot 2 and said 14.48-acre tract, a distance of 243.59 feet to a 1/2-iron rod with plastic cap stamped "STEADHAM RPLS 4281" found for the southeast corner of said Lot 2, common to the southwest corner of said 14.48-acre tract, same being on the northerly line of 10-acre tract of land described as Second Tract in a deed to Don Davis and wife, Joyce Davis, recorded in Volume 507, Page 584, said Deed Records;

THENCE South 89°25'15" West, along the southerly line of said Lot 2 and the northerly lines of said Second Tract and a called 3-acre tract of land described as First Tract in a deed to Don Davis and wife, Joyce Davis, recorded in Volume 507, Page 584, said Deed Records, and a called 7.06-acre tract of land described in a deed to Sandy Hernandez, recorded in Instrument No. 201504989, Official Public Records, Wise County, Texas, a distance of 1614.65 feet to a 5/8-inch iron rod found for the southernmost southwest corner of said Lot 2, common to the southeast corner of the aforementioned Lot 4;

THENCE North 00°26'04" West, departing the northerly line of said 7.06-acre tract and along the common line of said Lots 2 & 4, a distance of 246.43 feet to a 5/8-inch iron rod found for the northeast corner of said Lot 4;

THENCE South 89°26'56" West, continuing along said common line, a distance of 530.93 feet to the **POINT OF BEGINNING** and containing 44.868 acres (1,954,429 sq. ft.) of land, more or less.

EXHIBIT N-4 – IMPROVEMENT AREA #3 LEGAL DESCRIPTION

BEING a tract of land situated in the David H. Love Survey, Abstract No. 518, Wise County, Texas and being a portion of a tract of land described in a deed to D.R. Horton - Texas, Ltd., executed May 4th/, 2021, and being a portion of Lot 2, Block 1, Springhill South Addition, Lots 1, 2 and 3, Block 1, an Addition to Wise County according to the plat thereof recorded in Instrument No. 202017514, Plat Records of Wise County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap stamped "KHA" set for the southeast corner of said Lot 1 and the southeast corner of Springhill, Phase 2, an Addition to Wise County according to the plat thereof recorded in Instrument No. _____, Plat Records of Wise County, Texas, common to the northeast corner of said Lot 2, same being on the westerly line of a called 49.92 acre tract of land describe in a deed to James R. Scott and wife, Lila Scott, recorded in Volume 782, Page 46, Deed Records of Wise County, Texas;

THENCE South 00°40'43" East, along the easterly line of said Lot 2, the westerly line of said 49.92 acre tract, and along the westerly line of a called 14.48 acre tract of land described in a deed to Jim Scott and wife, Lila Scott, recorded in Volume 1799, Page 791, Deed Records of Wise County, Texas, a distance of 1,415.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the easternmost northeast corner of Springhill, Phase 3, an Addition to Wise County according to the plat thereof recorded in Instrument No. _____, Plat Records of Wise County, Texas;

THENCE departing the easterly line of said Lot 2 and the westerly line of said 14.48 acre tract, and along the northerly line of said Springhill, Phase 3, the following courses and distances:

South 89°19'17" West, a distance of 269.28 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 00°40'43" West, a distance of 130.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°19'17" East, a distance of 72.48 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the left with a radius of 50.00 feet, a central angle of 141°41'02", and a chord bearing and distance of North 44°19'17" East, 94.46 feet;

In a northeasterly direction, with said non-tangent curve to the left, an arc distance of 123.64 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 00°40'43" West, a distance of 12.29 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 89°19'17" West, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 00°40'43" East, a distance of 19.08 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 44°19'17" West, a distance of 14.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 89°19'17" West, a distance of 105.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 00°40'43" West, a distance of 410.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 89°19'17" West, a distance of 115.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 00°40'43" West, a distance of 15.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 89°19'17" West, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 00°40'43" East, a distance of 22.12 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 89°19'17" West, a distance of 70.78 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 64°21'20" West, a distance of 40.77 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 57°20'47" West, a distance of 78.80 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 54°58'44" West, a distance of 49.44 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 58°39'07" West, a distance of 49.18 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 61°15'21" West, a distance of 49.17 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 62°09'01" West, a distance of 49.19 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 66°12'36" West, a distance of 49.20 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 67°33'24" West, a distance of 49.19 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 71°03'43" West, a distance of 49.18 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 71°57'07" West, a distance of 49.18 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 75°36'00" West, a distance of 49.18 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 77°08'50" West, a distance of 49.16 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 80°00'02" West, a distance of 49.16 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 81°40'24" West, a distance of 49.16 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 84°47'56" West, a distance of 49.15 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 86°25'16" West, a distance of 49.14 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°04'03" West, a distance of 49.15 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 89°28'28" West, a distance of 104.84 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 00°31'32" West, a distance of 17.98 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 89°28'28" West, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;;

South 00°31'32" East, a distance of 15.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 89°28'28" West, a distance of 130.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for an ell corner of said Springhill, Phase 3;

THENCE North 00°31'32" West, continuing along the northerly line of said Springhill, Phase 3 and along the southerly line of Springhill, Phase 1, an Addition to Wise County according to the plat thereof recorded in Instrument No. _____, Plat Records of Wise County, Texas, a distance of 570.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

THENCE continuing along the southerly line of said Springhill, Phase 1, and along the southerly line of said Springhill, Phase 2, the southerly line of said Lot 1 and along the northerly line of said Lot 2, the following courses and distances:

North 89°28'28" East, a distance of 130.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 00°31'32" East, a distance of 20.33 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°35'39" East, a distance of 50.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 00°31'32" West, a distance of 11.45 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°28'28" East, a distance of 121.83 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 87°16'59" East, a distance of 50.09 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;;

South 87°43'33" East, a distance of 50.07 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;;

South 87°16'34" East, a distance of 42.13 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

South 84°20'00" East, a distance of 52.88 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;;

South 85°11'45" East, a distance of 52.98 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for corner;

North 89°19'17" East, a distance of 1,057.31 feet to the **POINT OF BEGINNING** and containing 29.147 acres (1,269,649 square feet) of land, more or less.

APPENDIX A – ENGINEER’S REPORT

[Remainder of page intentionally left blank.]



RE: Engineer's Report
Springhill
Boyd, Texas

Introduction:

Springhill is a proposed single-family development including approximately 154 contiguous acres and is anticipated to include approximately 674 single-family homes located east of Cemetery Road in Boyd, Texas as depicted on Exhibit A. This Engineer's report includes the documents requested by the City of Boyd for the formation of the PID and the issuance of bonds by the City. Bonds are anticipated to be used to finance public infrastructure projects vital for the development within the PID.

In addition to the PID, there is also a TIRZ associated with the Project to fund off-site improvements necessary to serve the development.

Development Costs:

An Engineers' opinion of probable cost (EOPC) has been prepared for all off-site and on-site infrastructure and is included as Exhibit B.

Development Improvements:

Development improvements have been separated into Direct, Master and Private improvements.

The Direct Improvements for Improvement Area #1 are depicted in Exhibit C through G and Master Improvements are depicted in Exhibit H through J. Direct Improvements for Improvement Area #2 are depicted in Exhibit K through O and Master Improvements are depicted in Exhibit P through R. Direct Improvements for Improvement Area #3 are depicted in Exhibit S through W.

Some projects are to be designed, contracted, and constructed as directed by the City, but funded by the Developer. The Developer is to be reimbursed through the PID and/or TIRZ for these projects.

Development Schedule:

Design Stage

The Preliminary Plat for the development has been approved by the City of Boyd.

The Traffic Impact Analysis for the development has been approved by the City of Boyd.

The Downstream Assessment has been approved by the City of Boyd.

Springhill Phases 1 and 2 construction plans included in Improvement Area #1 have been completed and approved by the City of Boyd and final plats have been filed in the Real Property Records.

Springhill Phase 3 construction plans included in Improvement Area #2 have been completed and approved by the City of Boyd and the final plat has been filed in the Real Property Records.

Springhill Phase 4 construction plans included in the Improvement Area #3 have been completed and approved by the City of Boyd.

kimley-horn.com

6160 Warren Parkway, Suite 200, Frisco, TX. 75034

972-335-3580

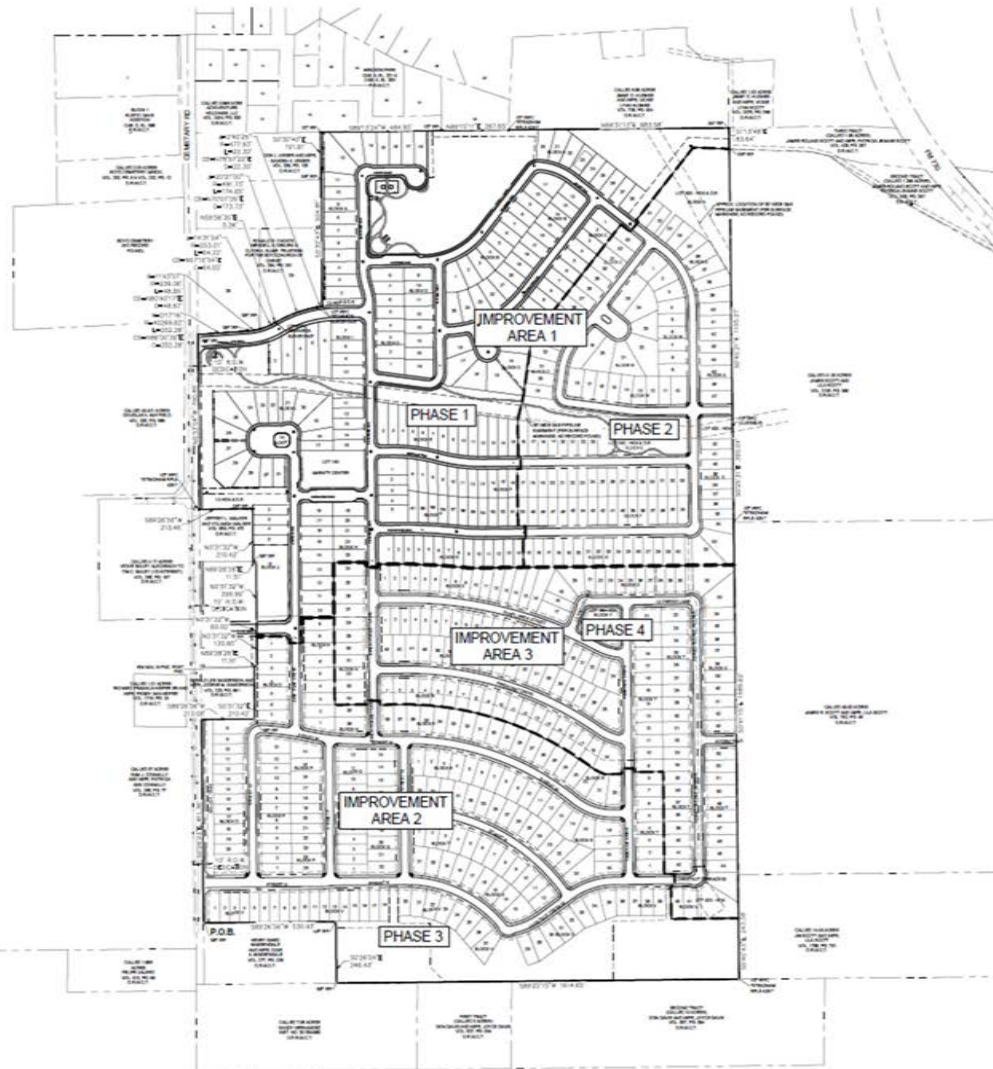
Construction Stage

Construction for Springhill Phase 1 began in the summer of 2021 and has received final acceptance.
Construction of Phase 2 began in the summer of 2022 and has received final acceptance.
Construction of Phase 3 began in the summer of 2023 and is nearing final acceptance.
Construction of Phase 4 began in the summer of 2024 and is nearing final acceptance. Please see Projected Phase Schedule provided on Exhibit A for the expected completion schedule.



INFRASTRUCTURE TO SERVE THIS DEVELOPMENT

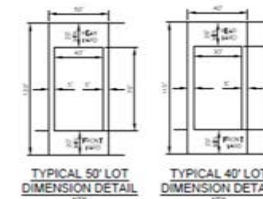
- WASTEWATER IMPROVEMENT AREA NO. 1 WILL GRAVITY TO THE EXISTING MAINS LIFT STATION. IMPROVEMENTS TO THE LIFT STATION ARE REQUIRED. IMPROVEMENT AREA NO. 2 WILL GRAVITY TO A PROPOSED LIFT STATION WITHIN PHASE 4. FORCE MAIN WILL BE PROVIDED FROM THE LIFT STATION TO THE GRAVITY LINE WITHIN PHASE 2.
- WATER - I.E. IF WATERLINE WITHIN CEMETERY ROAD. A PUMP STATION ALONG CEMETERY ROAD AND IF WATERLINE CONNECTIONS WITHIN THE MEADOW PARK SUBDIVISION WILL BE REQUIRED.
- STORM DRAINAGE - PORTION OF THE SITE WILL DRAIN TO THE NORTHEAST TO A TRIBUTARY OF WEST FORK TRINITY RIVER. PORTION OF SITE WILL DRAIN SOUTHWEST TO AN EXISTING CHANNEL.
- ROADWAYS - ACCESS TO THE SITE WILL BE THROUGH EXISTING CEMETERY ROAD. TURN LANES WILL BE REQUIRED ON CEMETERY. INTERSECTION IMPROVEMENTS WILL BE REQUIRED AT CEMETERY AND KNOX.



VICINITY MAP
SCALE: 1" = 100'

LOT SUMMARY					
LOT TYPE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	TOTAL
40' LOTS	79	69	65	54	267
50' LOTS	108	57	134	108	407
TOTAL	187	126	199	162	674

- PROJECTED PHASE COMPLETION SCHEDULE
- PHASE 1 - SUMMER 2023
 - PHASE 2 - WINTER 2024
 - PHASE 3 - WINTER 2025
 - PHASE 4 - SPRING 2026



- NOTES:
- PHASES 1 & 2 TO BE INCLUDED IN IMPROVEMENT AREA #1.
 - PHASE 3 TO BE INCLUDED IN IMPROVEMENT AREA #2.
 - PHASE 4 TO BE INCLUDED IN IMPROVEMENT AREA #3.

EXHIBIT A
PID EXHIBIT:
CONCEPT PLAN
Springhill
Boyd, Texas
December 2024

Kimley»Horn

31500 Springhill Parkway, Suite 210
Frisco, Texas 75034
972.455.4565
State of Texas Registration No. F-4228

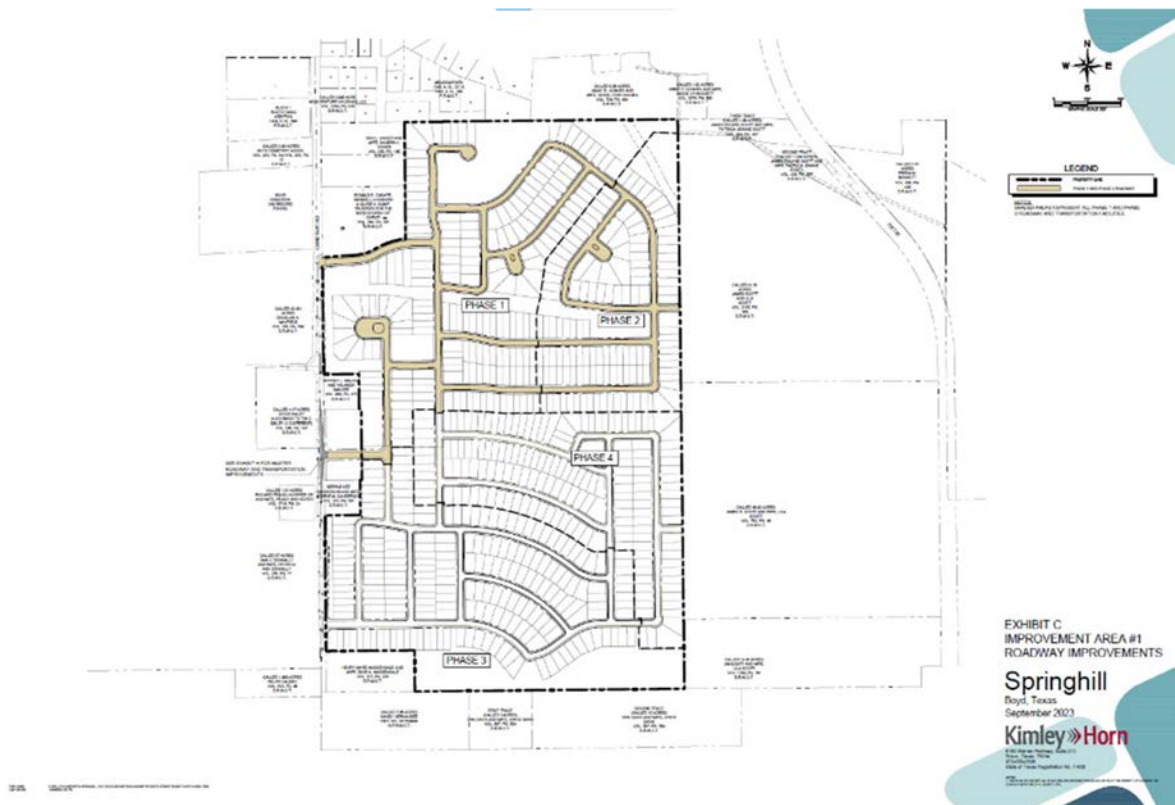
THIS PLAN IS A PRELIMINARY DESIGN AND SHOULD NOT BE USED WITHOUT THE WRITTEN PERMISSION OF THE ENGINEER OR ARCHITECT.

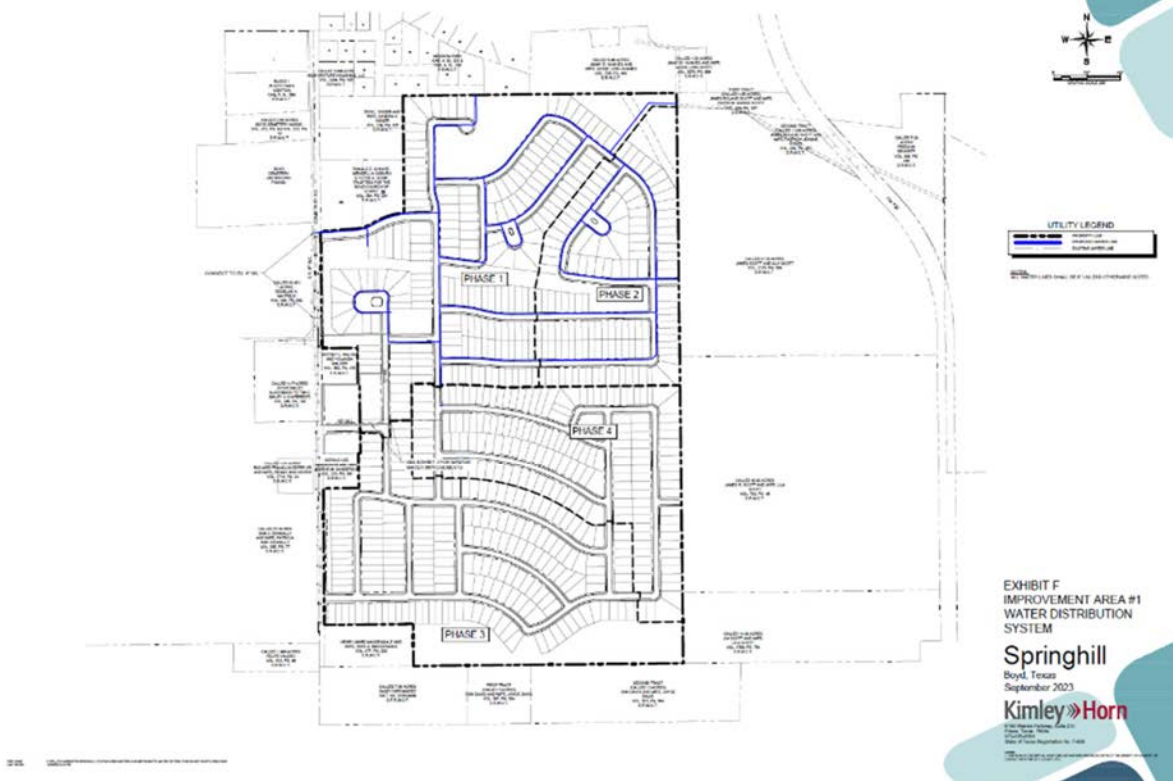
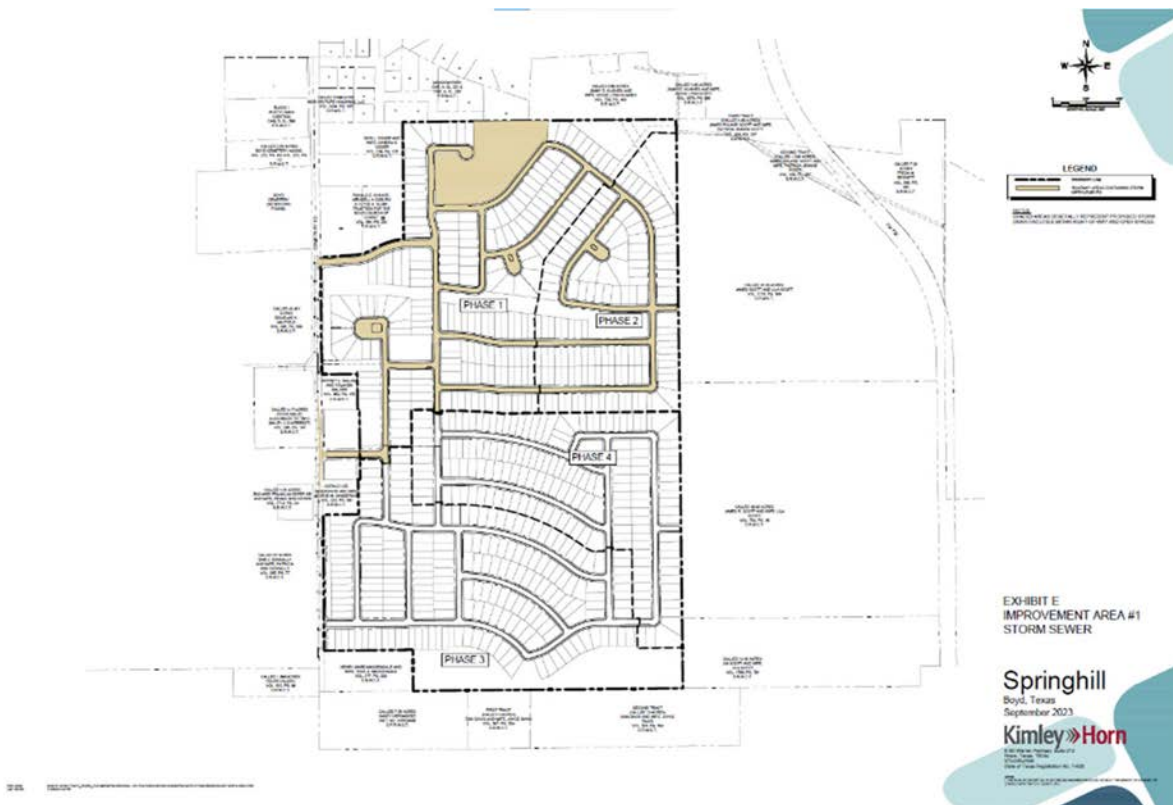


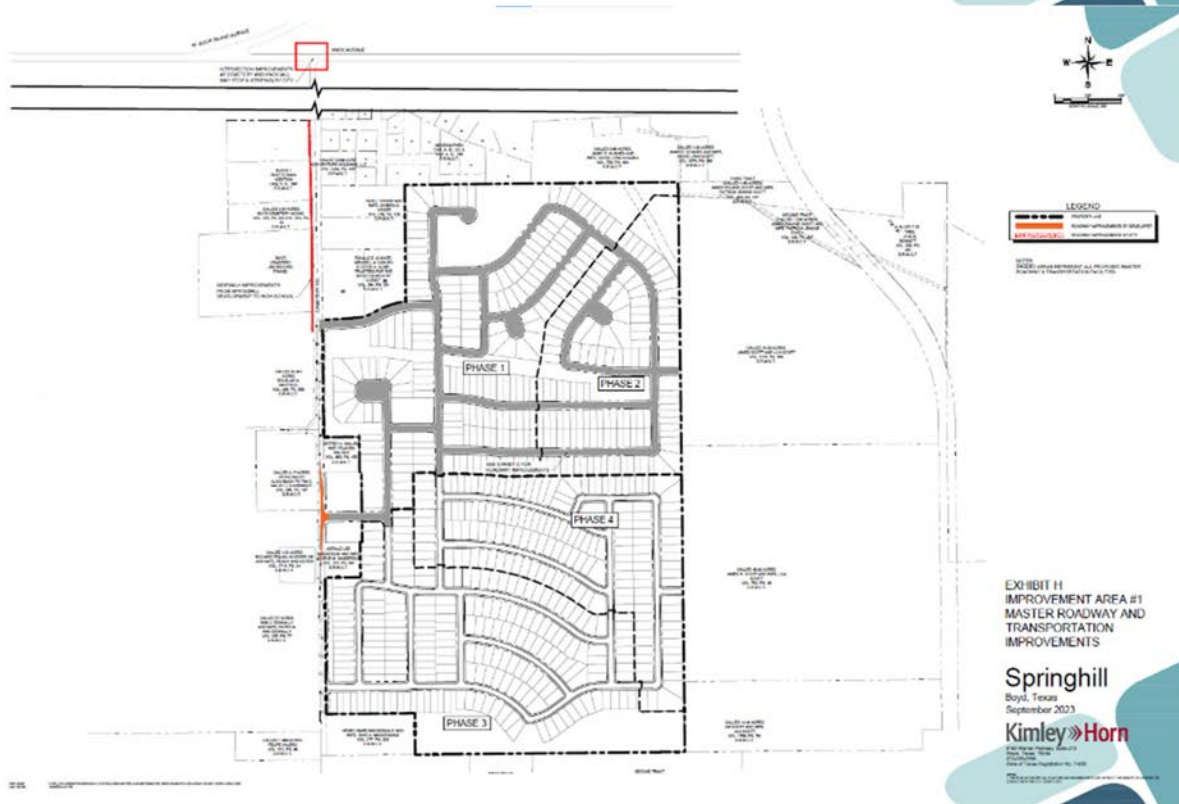
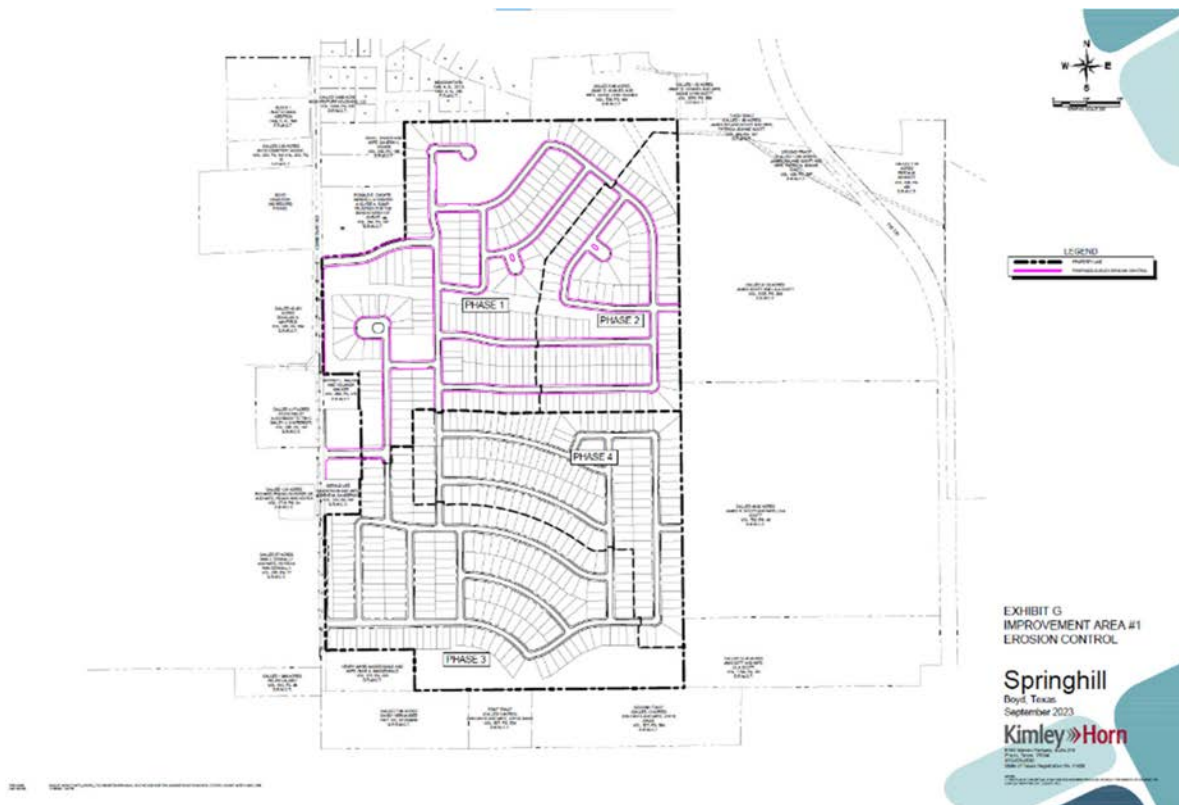
POD COST SUMMARY - CITY OF BOYD
 PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COST - IMPORTANT NOTES APPLY
 THE CITY OF BOYD PUBLIC IMPROVEMENT DISTRICT NO.1 - CITY OF BOYD
 December 16, 2024

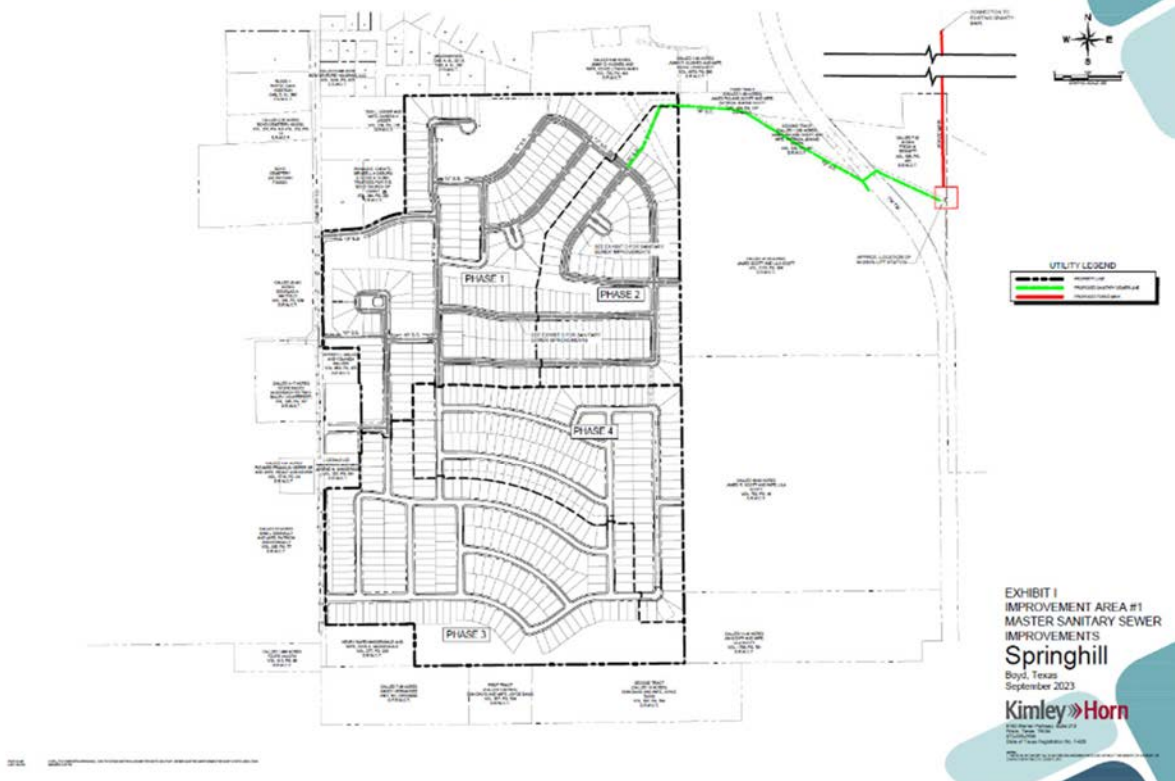
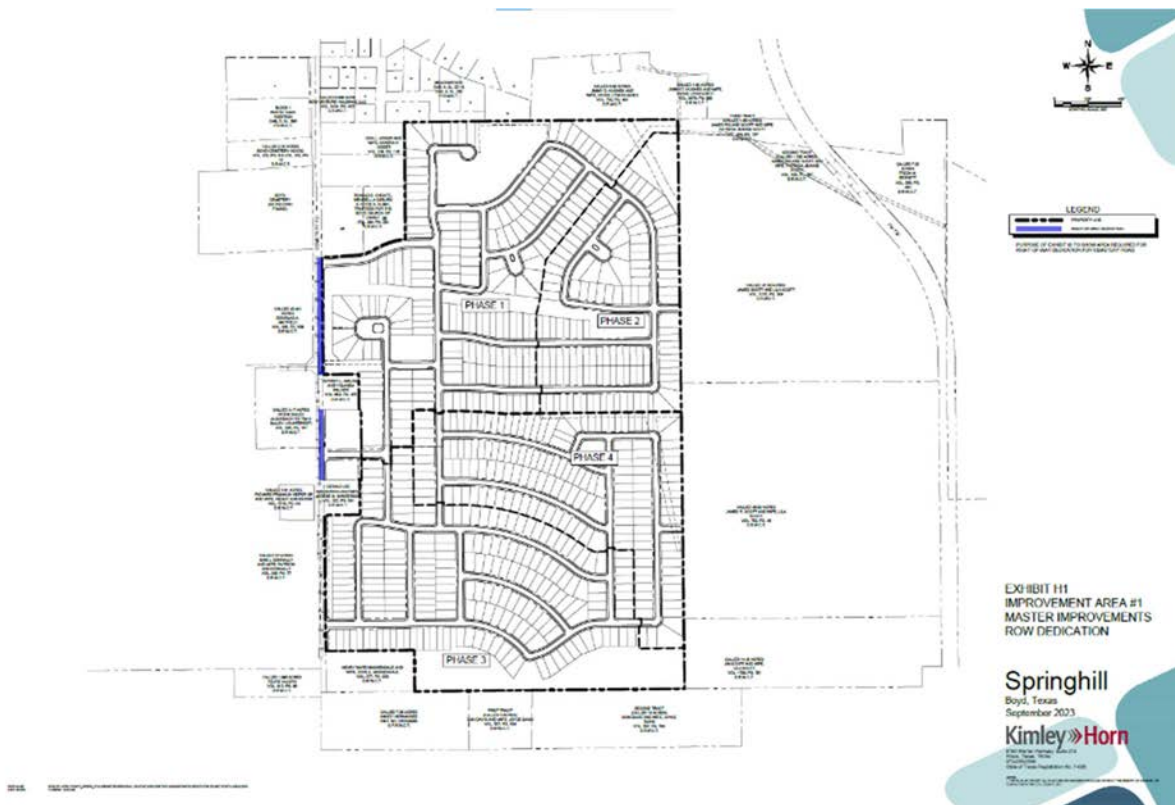
DIVISION / PHASE / COST TYPE SUMMARY - CITY OF BOYD IMPROVEMENTS																
DIVISION	DIRECT PUBLIC					MASTER PUBLIC					PRIVATE					TOTAL
	1	2	3	4	TOTAL	1	2	3	4	TOTAL	1	2	3	4	TOTAL	
CLEARING & EXCAVATION	\$101,455	\$49,752	\$48,839	\$24,149	\$224,195	\$0	\$0	\$0	\$0	\$0	\$376,267	\$260,497	\$348,055	\$163,691	\$1,153,509	\$1,377,705
WATER	\$1,012,593	\$562,516	\$869,879	\$573,138	\$3,018,125	\$352,143	\$224,979	\$0	\$0	\$577,122	\$0	\$0	\$0	\$0	\$0	\$3,595,247
SEWER	\$1,423,483	\$579,336	\$730,892	\$576,248	\$3,309,959	\$3,414,724	\$1,284,990	\$1,521,688	\$0	\$6,221,402	\$0	\$0	\$0	\$0	\$0	\$9,531,361
STORM SEWER	\$1,142,218	\$511,897	\$1,390,120	\$555,201	\$3,599,436	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,599,436
PAVEMENT	\$2,153,649	\$906,371	\$1,690,345	\$1,137,512	\$5,847,877	\$142,425	\$385,075	\$0	\$0	\$527,500	\$0	\$0	\$0	\$0	\$0	\$6,375,378
RETAINING WALLS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$243,100	\$211,000	\$333,325	\$324,000	\$1,111,425	\$1,111,425
EROSION CONTROL	\$40,701	\$24,571	\$33,303	\$26,226	\$124,800	\$0	\$0	\$0	\$0	\$0	\$82,940	\$37,796	\$84,096	\$49,040	\$253,861	\$378,661
AMENITIES, LANDSCAPE, & SCREENING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$796,241	\$792,180	\$309,249	\$137,500	\$2,075,171	\$2,075,171
FRANCHISE UTILITIES	\$87,500	\$42,000	\$63,000	\$42,000	\$234,500	\$0	\$0	\$0	\$0	\$0	\$436,400	\$277,200	\$462,800	\$356,400	\$1,532,800	\$1,767,300
MISCELLANEOUS & OTHER	\$315,553	\$147,278	\$90,752	\$64,484	\$618,067	\$3,000	\$3,000	\$3,000	\$0	\$9,000	\$48,750	\$31,500	\$59,750	\$50,500	\$188,500	\$815,567
SUB-TOTAL	\$6,277,153	\$2,823,720	\$4,837,129	\$2,988,950	\$16,936,959	\$3,912,293	\$1,898,044	\$1,524,688	\$0	\$7,335,025	\$1,971,704	\$1,615,212	\$1,647,275	\$1,081,113	\$6,315,322	\$30,587,305
SURVEY, PLATTING, ENG., LA. PERMITTING, & STAKING (10%)	\$627,715	\$282,372	\$483,713	\$298,896	\$1,693,696	\$391,229	\$189,804	\$152,489	\$0	\$733,502	\$197,170	\$161,521	\$164,727	\$108,113	\$631,532	\$3,058,733
CONSTRUCTION MANAGEMENT (1%)	\$62,772	\$28,237	\$48,371	\$29,890	\$169,370	\$39,123	\$18,980	\$15,247	\$0	\$73,350	\$19,717	\$16,152	\$16,473	\$10,811	\$63,153	\$305,873
SUB-TOTAL	\$6,967,639	\$3,134,330	\$5,369,214	\$3,328,841	\$18,800,024	\$4,342,645	\$2,106,829	\$1,692,404	\$0	\$8,141,877	\$2,188,592	\$1,792,806	\$1,828,475	\$1,200,035	\$7,010,008	\$33,951,909
MISCELLANEOUS & CONTINGENCY (10% NOT INCL ENG OR CM)	\$627,715	\$282,372	\$483,713	\$298,896	\$1,693,696	\$391,229	\$189,804	\$152,489	\$0	\$733,502	\$197,170	\$161,521	\$164,727	\$108,113	\$631,532	\$3,058,733
TOTAL	\$7,595,355	\$3,416,702	\$5,852,926	\$3,628,737	\$20,493,720	\$4,733,874	\$2,296,633	\$1,844,892	\$0	\$8,875,379	\$2,385,762	\$1,954,407	\$1,993,202	\$1,308,166	\$7,641,540	\$37,010,639

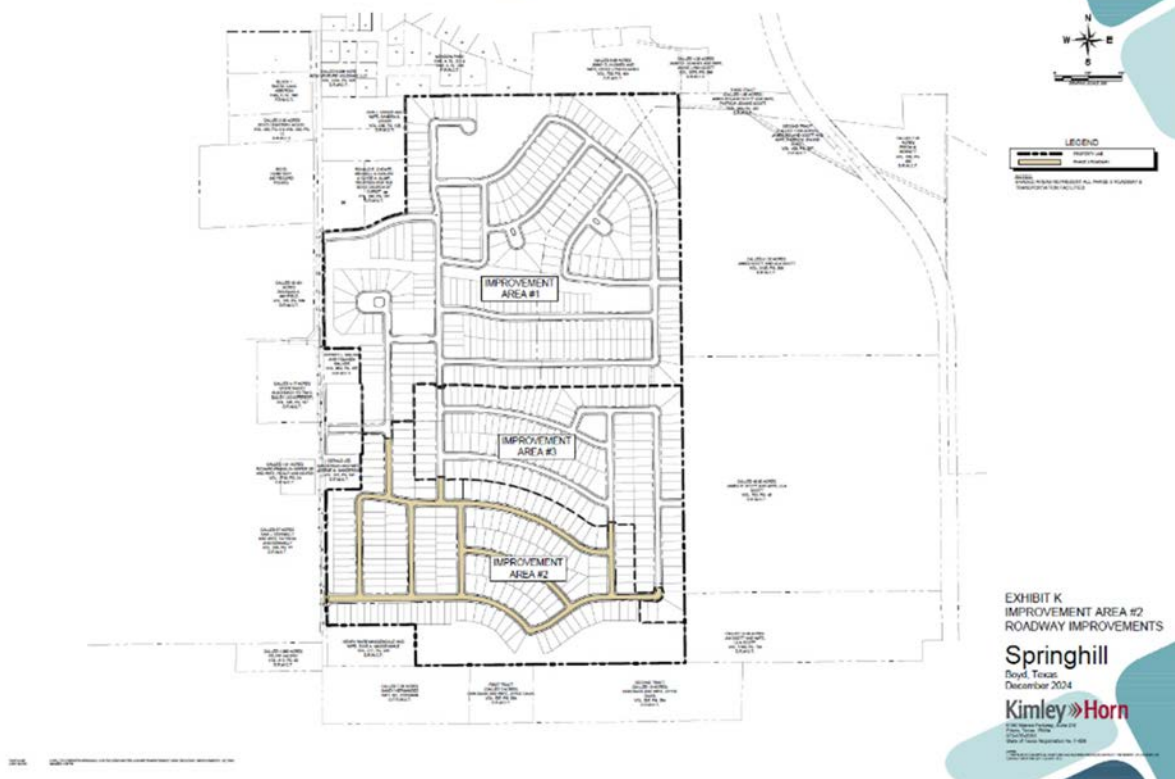
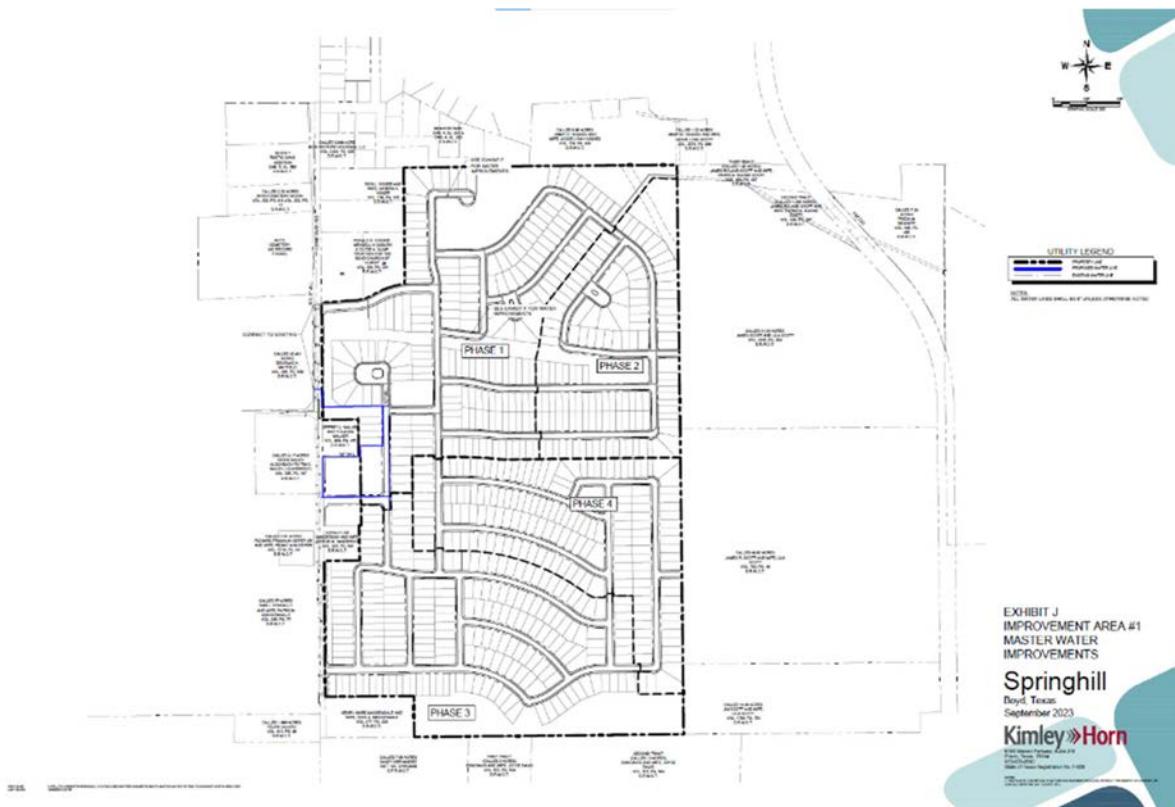
PHASE TOTAL SUMMARY - CITY OF BOYD IMPROVEMENTS					
COST TYPE	1	2	3	4	TOTAL
DIRECT PUBLIC	\$7,595,355	\$1,416,702	\$5,852,926	\$3,628,737	\$20,493,720
MASTER PUBLIC	\$4,733,874	\$2,296,633	\$1,844,892	\$0	\$8,875,379
PRIVATE	\$2,385,762	\$1,954,407	\$1,993,202	\$1,308,166	\$7,641,540
TOTAL	\$14,714,991	\$7,667,742	\$9,691,001	\$4,936,903	\$37,010,639

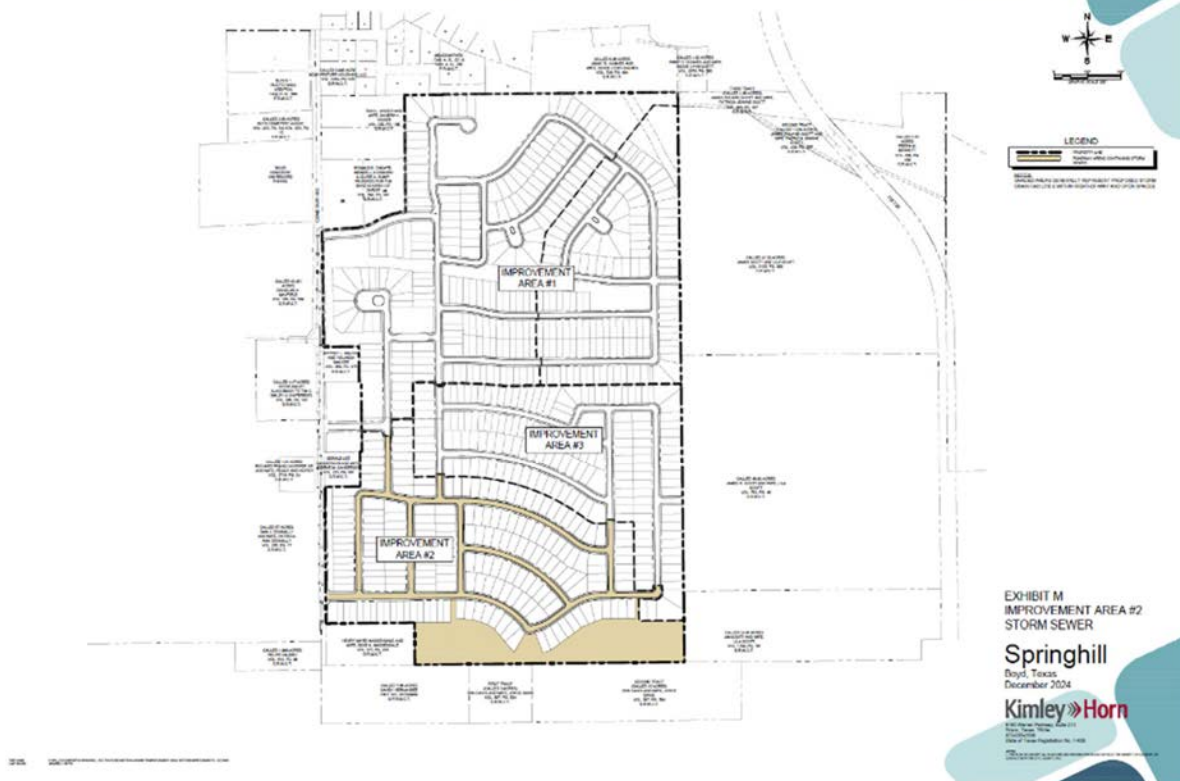
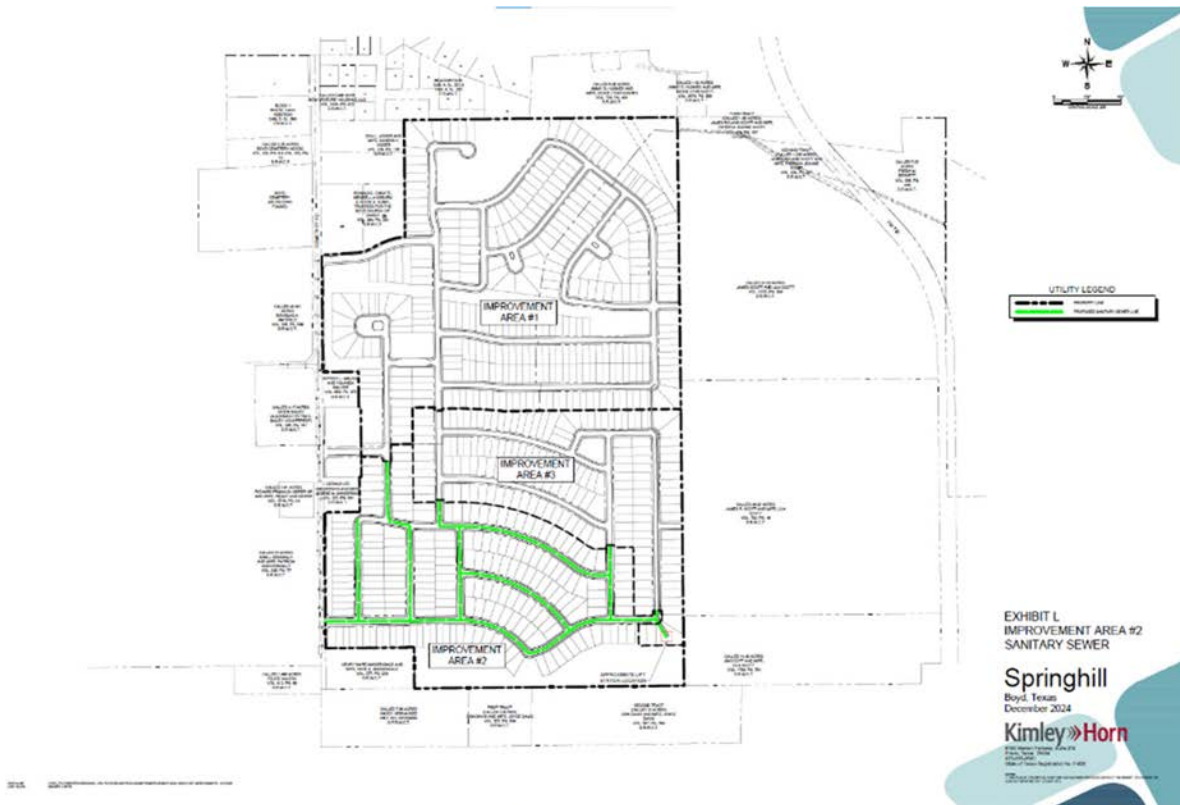


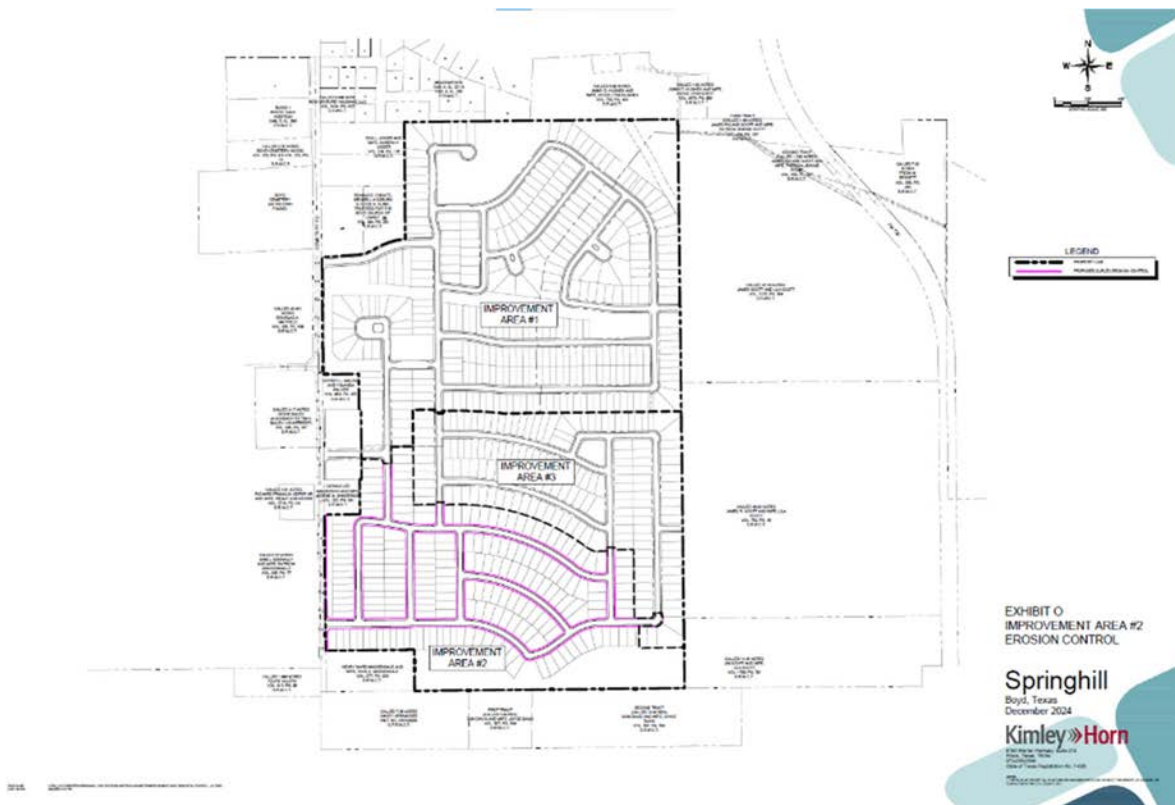


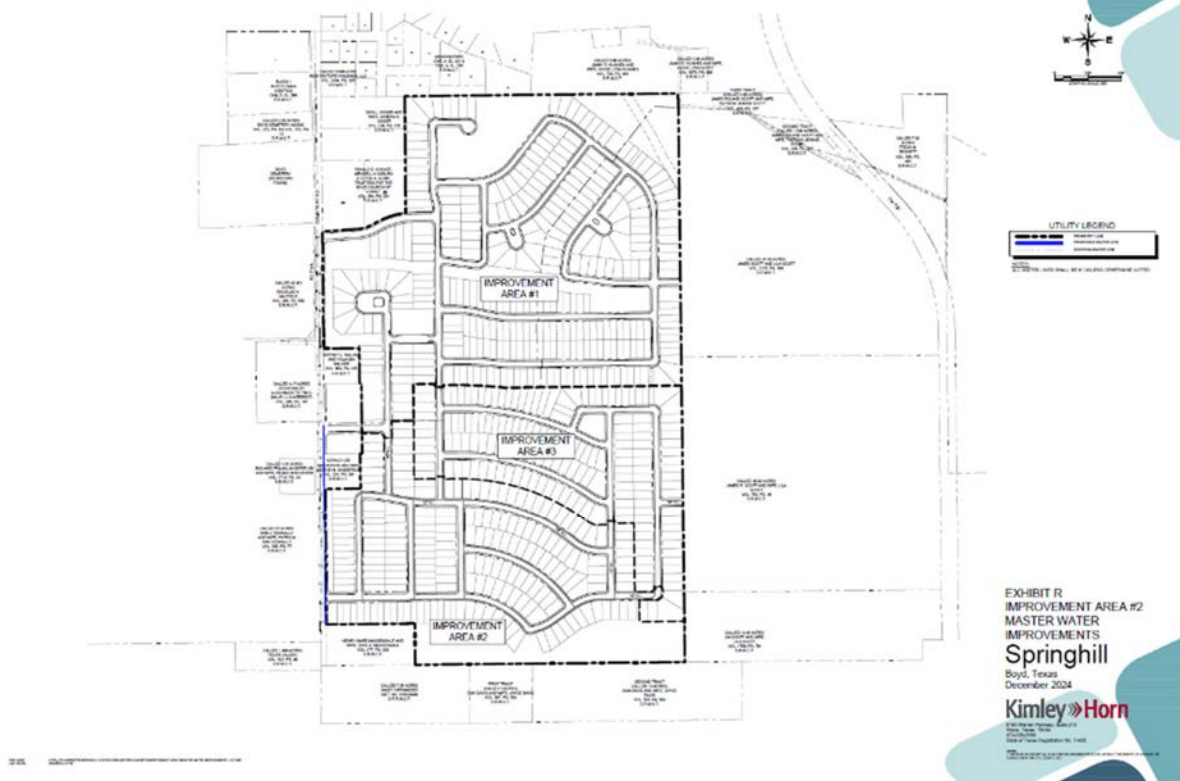
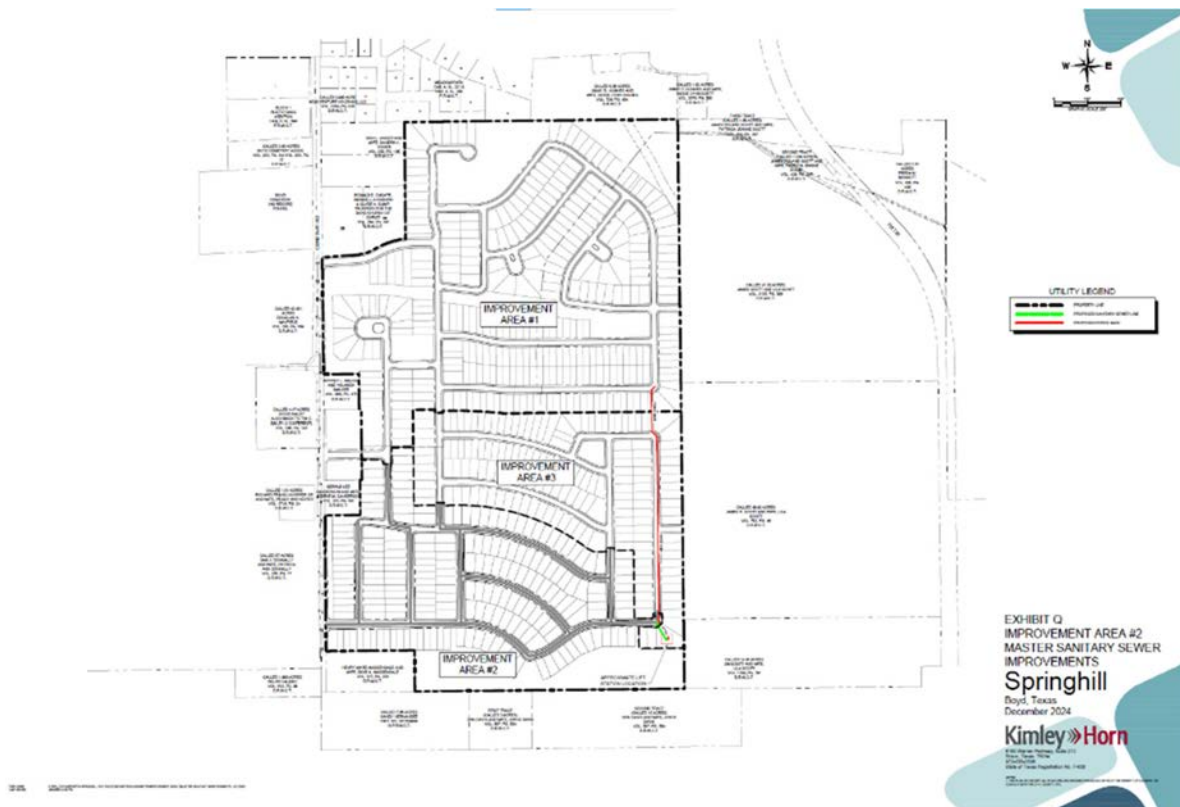


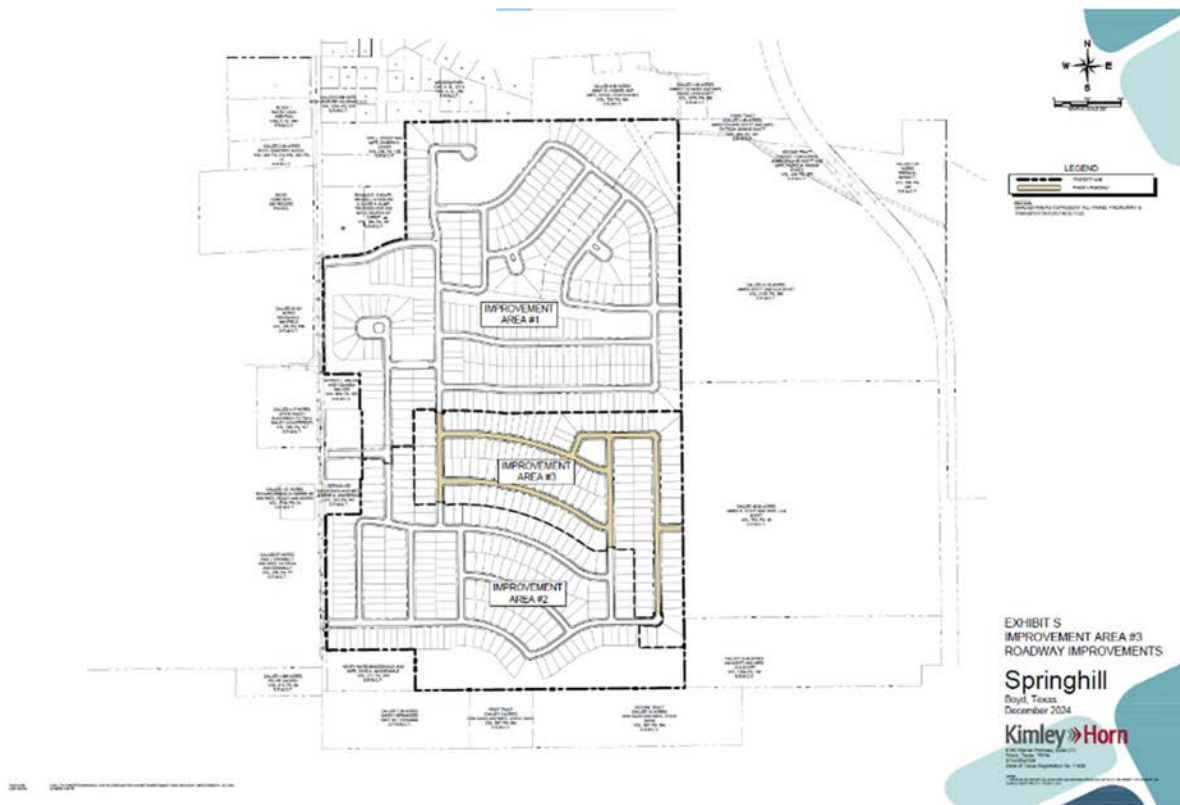


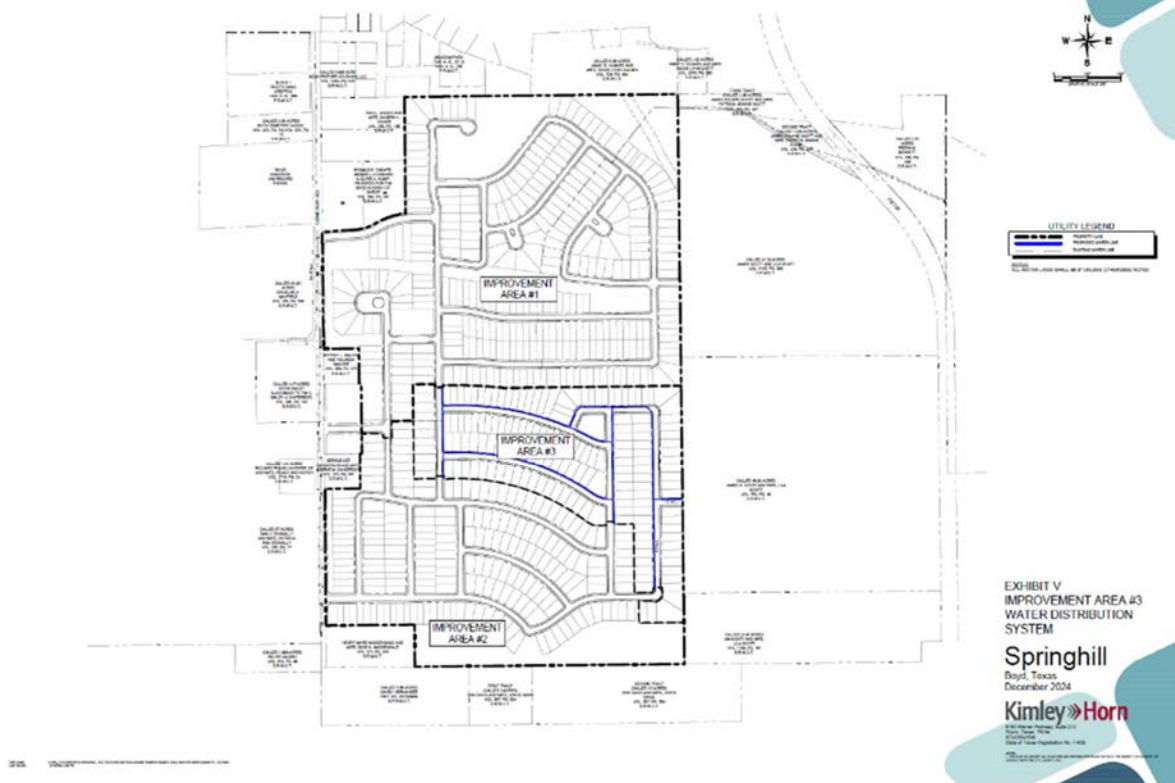
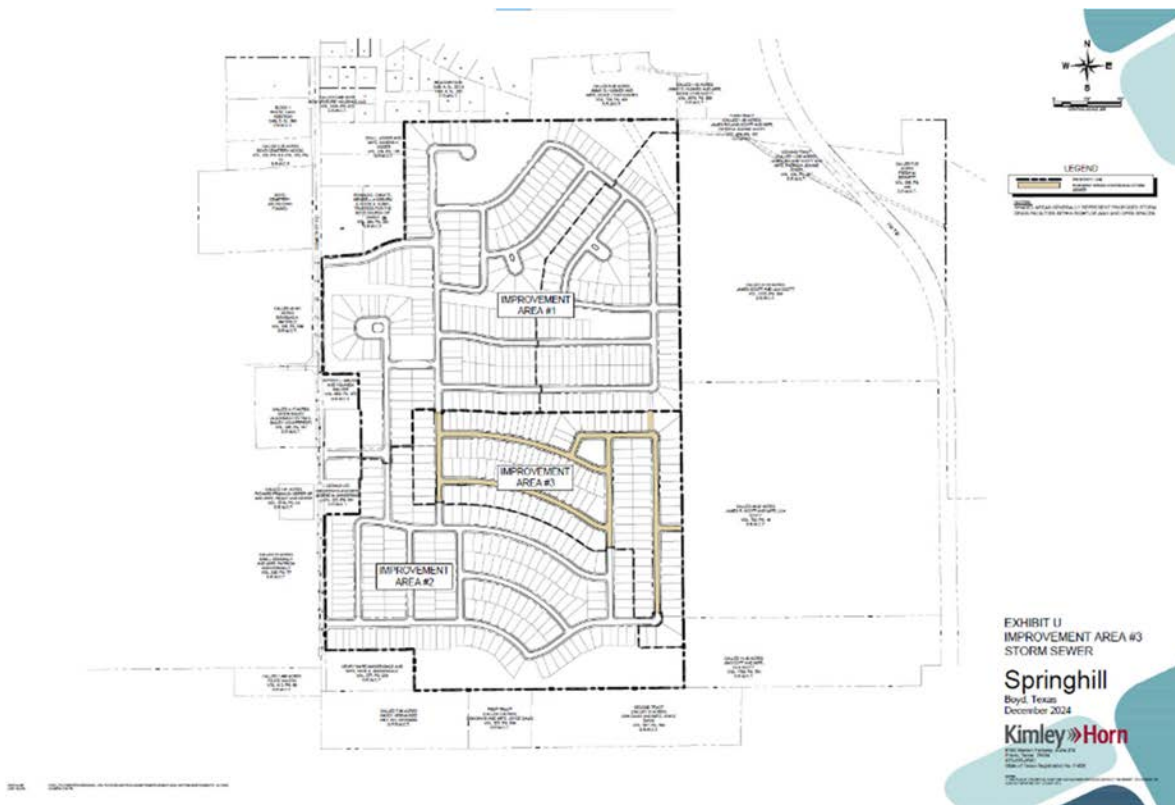


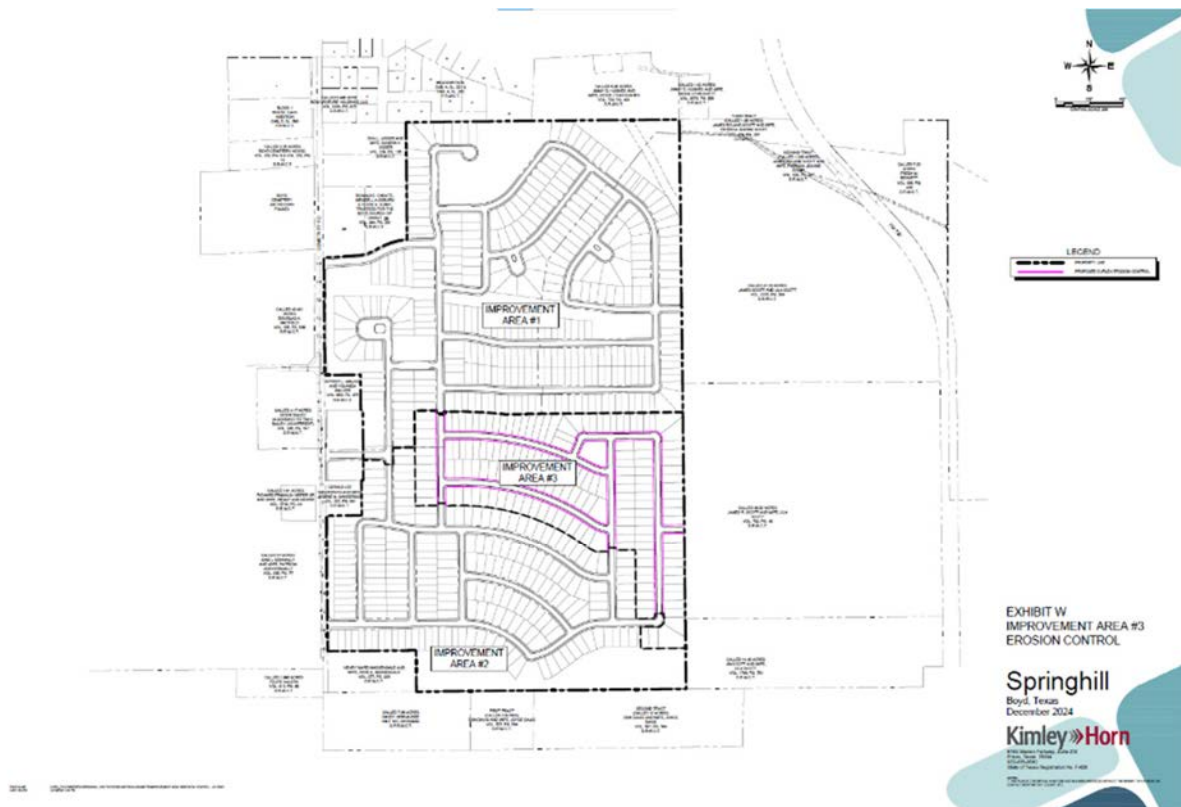












APPENDIX B – BUYER DISCLOSURES

Forms of the buyer disclosures for the following Lot Types are found in this appendix:

Improvement Area #1

- Lot Type 1
- Lot Type 2

Improvement Area #2

- Lot Type 3
- Lot Type 4

Improvement Area #3

- Improvement Area #3 Initial Parcel
- Lot Type 5
- Lot Type 6

**CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1 –IMPROVEMENT
AREA #1 LOT TYPE 1 – BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
THE CITY OF BOYD, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 1 PRINCIPAL ASSESSMENT: \$23,573.41

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Boyd, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *City of Boyd, Texas Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Boyd. The exact amount of each annual installment will be approved each year by the City of Boyd City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Boyd.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

ANNUAL INSTALLMENTS – LOT TYPE 1

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 406.69	\$ 1,235.44	\$ 117.87	\$ 107.15	\$ 1,867.15
2027	\$ 424.37	\$ 1,218.16	\$ 115.83	\$ 109.29	\$ 1,867.65
2028	\$ 442.06	\$ 1,200.12	\$ 113.71	\$ 111.47	\$ 1,867.36
2029	\$ 459.74	\$ 1,181.33	\$ 111.50	\$ 113.70	\$ 1,866.28
2030	\$ 480.37	\$ 1,161.80	\$ 109.20	\$ 115.98	\$ 1,867.34
2031	\$ 498.05	\$ 1,141.38	\$ 106.80	\$ 118.30	\$ 1,864.53
2032	\$ 524.57	\$ 1,115.85	\$ 104.31	\$ 120.66	\$ 1,865.40
2033	\$ 551.10	\$ 1,088.97	\$ 101.69	\$ 123.08	\$ 1,864.83
2034	\$ 580.57	\$ 1,060.73	\$ 98.93	\$ 125.54	\$ 1,865.76
2035	\$ 610.04	\$ 1,030.97	\$ 96.03	\$ 128.05	\$ 1,865.09
2036	\$ 639.51	\$ 999.71	\$ 92.98	\$ 130.61	\$ 1,862.81
2037	\$ 671.93	\$ 966.93	\$ 89.78	\$ 133.22	\$ 1,861.86
2038	\$ 707.29	\$ 932.50	\$ 86.42	\$ 135.89	\$ 1,862.10
2039	\$ 745.60	\$ 896.25	\$ 82.89	\$ 138.60	\$ 1,863.34
2040	\$ 783.91	\$ 858.04	\$ 79.16	\$ 141.38	\$ 1,862.48
2041	\$ 825.17	\$ 817.86	\$ 75.24	\$ 144.20	\$ 1,862.48
2042	\$ 866.43	\$ 775.57	\$ 71.11	\$ 147.09	\$ 1,860.20
2043	\$ 910.64	\$ 731.17	\$ 66.78	\$ 150.03	\$ 1,858.61
2044	\$ 960.74	\$ 684.50	\$ 62.23	\$ 153.03	\$ 1,860.49
2045	\$ 1,013.78	\$ 631.65	\$ 57.42	\$ 156.09	\$ 1,858.95
2046	\$ 1,069.78	\$ 575.90	\$ 52.35	\$ 159.21	\$ 1,857.24
2047	\$ 1,131.67	\$ 517.06	\$ 47.01	\$ 162.40	\$ 1,858.13
2048	\$ 1,196.50	\$ 454.82	\$ 41.35	\$ 165.65	\$ 1,858.31
2049	\$ 1,264.28	\$ 389.01	\$ 35.36	\$ 168.96	\$ 1,857.62
2050	\$ 1,335.01	\$ 319.47	\$ 29.04	\$ 172.34	\$ 1,855.87
2051	\$ 1,411.63	\$ 246.05	\$ 22.37	\$ 175.78	\$ 1,855.84
2052	\$ 1,488.26	\$ 168.41	\$ 15.31	\$ 179.30	\$ 1,851.28
2053	\$ 1,573.72	\$ 86.55	\$ 7.87	\$ 182.89	\$ 1,851.03
Total^[c]	\$ 23,573.41	\$ 22,486.19	\$ 2,090.55	\$ 3,969.89	\$ 52,120.03

Footnotes:

[a] Interest rate on the Improvement Area #1 Bonds is 4.25% for bonds maturing 2030, 5.125% for bonds maturing 2043, and 5.50% for bonds maturing 2053.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

[c] Totals may not sum due to rounding.

**CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1 – IMPROVEMENT
AREA #1 LOT TYPE 2 – BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
THE CITY OF BOYD, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #1 LOT TYPE 2 PRINCIPAL ASSESSMENT: \$27,334.15

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Boyd, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *City of Boyd, Texas Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Boyd. The exact amount of each annual installment will be approved each year by the City of Boyd City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Boyd.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

ANNUAL INSTALLMENTS – LOT TYPE 2

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 471.57	\$ 1,432.54	\$ 136.67	\$ 124.24	\$ 2,165.02
2027	\$ 492.08	\$ 1,412.49	\$ 134.31	\$ 126.72	\$ 2,165.61
2028	\$ 512.58	\$ 1,391.58	\$ 131.85	\$ 129.26	\$ 2,165.27
2029	\$ 533.08	\$ 1,369.80	\$ 129.29	\$ 131.84	\$ 2,164.01
2030	\$ 557.00	\$ 1,347.14	\$ 126.62	\$ 134.48	\$ 2,165.25
2031	\$ 577.51	\$ 1,323.47	\$ 123.84	\$ 137.17	\$ 2,161.98
2032	\$ 608.26	\$ 1,293.87	\$ 120.95	\$ 139.91	\$ 2,163.00
2033	\$ 639.02	\$ 1,262.70	\$ 117.91	\$ 142.71	\$ 2,162.33
2034	\$ 673.19	\$ 1,229.95	\$ 114.72	\$ 145.57	\$ 2,163.42
2035	\$ 707.36	\$ 1,195.45	\$ 111.35	\$ 148.48	\$ 2,162.63
2036	\$ 741.53	\$ 1,159.19	\$ 107.81	\$ 151.45	\$ 2,159.99
2037	\$ 779.12	\$ 1,121.19	\$ 104.10	\$ 154.48	\$ 2,158.89
2038	\$ 820.13	\$ 1,081.26	\$ 100.21	\$ 157.57	\$ 2,159.16
2039	\$ 864.55	\$ 1,039.23	\$ 96.11	\$ 160.72	\$ 2,160.61
2040	\$ 908.97	\$ 994.92	\$ 91.79	\$ 163.93	\$ 2,159.61
2041	\$ 956.81	\$ 948.34	\$ 87.24	\$ 167.21	\$ 2,159.60
2042	\$ 1,004.66	\$ 899.30	\$ 82.46	\$ 170.55	\$ 2,156.97
2043	\$ 1,055.91	\$ 847.81	\$ 77.43	\$ 173.96	\$ 2,155.12
2044	\$ 1,114.01	\$ 793.70	\$ 72.15	\$ 177.44	\$ 2,157.30
2045	\$ 1,175.52	\$ 732.42	\$ 66.58	\$ 180.99	\$ 2,155.52
2046	\$ 1,240.44	\$ 667.77	\$ 60.71	\$ 184.61	\$ 2,153.53
2047	\$ 1,312.20	\$ 599.55	\$ 54.50	\$ 188.31	\$ 2,154.56
2048	\$ 1,387.38	\$ 527.38	\$ 47.94	\$ 192.07	\$ 2,154.77
2049	\$ 1,465.98	\$ 451.07	\$ 41.01	\$ 195.91	\$ 2,153.97
2050	\$ 1,547.99	\$ 370.44	\$ 33.68	\$ 199.83	\$ 2,151.94
2051	\$ 1,636.84	\$ 285.30	\$ 25.94	\$ 203.83	\$ 2,151.90
2052	\$ 1,725.68	\$ 195.28	\$ 17.75	\$ 207.90	\$ 2,146.62
2053	\$ 1,824.78	\$ 100.36	\$ 9.12	\$ 212.06	\$ 2,146.33
Total^[c]	\$ 27,334.15	\$ 26,073.48	\$ 2,424.06	\$ 4,603.21	\$ 60,434.90

Footnotes:

[a] Interest rate on the Improvement Area #1 Bonds is 4.25% for bonds maturing 2030, 5.125% for bonds maturing 2043, and 5.50% for bonds maturing 2053.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

[c] Totals may not sum due to rounding.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

**CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1 – IMPROVEMENT
AREA #2 LOT TYPE 3 – BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
THE CITY OF BOYD, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #2 LOT TYPE 3 PRINCIPAL ASSESSMENT: \$26,265.43

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Boyd, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *City of Boyd, Texas Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Boyd. The exact amount of each annual installment will be approved each year by the City of Boyd City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Boyd.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

ANNUAL INSTALLMENTS – LOT TYPE 3

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[c]
2026	\$ 372.86	\$ 1,510.26	\$ 131.33	\$ 139.97	\$ 2,154.42
2027	\$ 396.46	\$ 1,488.82	\$ 129.46	\$ 142.77	\$ 2,157.51
2028	\$ 420.06	\$ 1,466.03	\$ 127.48	\$ 145.62	\$ 2,159.19
2029	\$ 443.66	\$ 1,441.87	\$ 125.38	\$ 148.54	\$ 2,159.45
2030	\$ 467.26	\$ 1,416.36	\$ 123.16	\$ 151.51	\$ 2,158.29
2031	\$ 490.85	\$ 1,389.50	\$ 120.83	\$ 154.54	\$ 2,155.71
2032	\$ 519.17	\$ 1,361.27	\$ 118.37	\$ 157.63	\$ 2,156.44
2033	\$ 547.49	\$ 1,331.42	\$ 115.78	\$ 160.78	\$ 2,155.47
2034	\$ 580.53	\$ 1,299.94	\$ 113.04	\$ 164.00	\$ 2,157.50
2035	\$ 613.57	\$ 1,266.56	\$ 110.14	\$ 167.28	\$ 2,157.54
2036	\$ 646.61	\$ 1,231.28	\$ 107.07	\$ 170.62	\$ 2,155.57
2037	\$ 684.36	\$ 1,194.10	\$ 103.83	\$ 174.03	\$ 2,156.33
2038	\$ 722.12	\$ 1,154.75	\$ 100.41	\$ 177.52	\$ 2,154.80
2039	\$ 764.60	\$ 1,113.22	\$ 96.80	\$ 181.07	\$ 2,155.69
2040	\$ 807.08	\$ 1,069.26	\$ 92.98	\$ 184.69	\$ 2,154.00
2041	\$ 854.28	\$ 1,022.85	\$ 88.94	\$ 188.38	\$ 2,154.45
2042	\$ 906.19	\$ 973.73	\$ 84.67	\$ 192.15	\$ 2,156.75
2043	\$ 958.11	\$ 921.63	\$ 80.14	\$ 195.99	\$ 2,155.87
2044	\$ 1,014.75	\$ 866.54	\$ 75.35	\$ 199.91	\$ 2,156.54
2045	\$ 1,071.38	\$ 808.19	\$ 70.28	\$ 203.91	\$ 2,153.76
2046	\$ 1,137.46	\$ 746.58	\$ 64.92	\$ 207.99	\$ 2,156.95
2047	\$ 1,203.54	\$ 681.18	\$ 59.23	\$ 212.15	\$ 2,156.10
2048	\$ 1,274.33	\$ 611.98	\$ 53.22	\$ 216.39	\$ 2,155.91
2049	\$ 1,345.13	\$ 538.70	\$ 46.84	\$ 220.72	\$ 2,151.39
2050	\$ 1,425.37	\$ 461.36	\$ 40.12	\$ 225.13	\$ 2,151.97
2051	\$ 1,510.32	\$ 379.40	\$ 32.99	\$ 229.64	\$ 2,152.35
2052	\$ 1,600.00	\$ 292.55	\$ 25.44	\$ 234.23	\$ 2,152.22
2053	\$ 1,694.39	\$ 200.55	\$ 17.44	\$ 238.91	\$ 2,151.30
2054	\$ 1,793.51	\$ 103.13	\$ 8.97	\$ 243.69	\$ 2,149.29
Total^[c]	\$ 26,265.43	\$ 28,343.00	\$ 2,464.61	\$ 5,429.74	\$ 62,502.77

Footnotes:

[a] Interest is calculated at 5.75% rate per the City's Financial Advisor, and subject to change upon pricing.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

[c] Totals may not sum due to rounding.

**CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1 – IMPROVEMENT
AREA #2 LOT TYPE 4 – BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
THE CITY OF BOYD, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #2 LOT TYPE 4 PRINCIPAL ASSESSMENT: \$28,789.16

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Boyd, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *City of Boyd, Texas Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Boyd. The exact amount of each annual installment will be approved each year by the City of Boyd City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Boyd.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

ANNUAL INSTALLMENTS – LOT TYPE 4

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 408.69	\$ 1,655.38	\$ 143.95	\$ 153.42	\$ 2,361.43
2027	\$ 434.55	\$ 1,631.88	\$ 141.90	\$ 156.49	\$ 2,364.82
2028	\$ 460.42	\$ 1,606.89	\$ 139.73	\$ 159.62	\$ 2,366.66
2029	\$ 486.29	\$ 1,580.42	\$ 137.43	\$ 162.81	\$ 2,366.94
2030	\$ 512.15	\$ 1,552.45	\$ 135.00	\$ 166.07	\$ 2,365.67
2031	\$ 538.02	\$ 1,523.01	\$ 132.44	\$ 169.39	\$ 2,362.85
2032	\$ 569.06	\$ 1,492.07	\$ 129.75	\$ 172.77	\$ 2,363.65
2033	\$ 600.10	\$ 1,459.35	\$ 126.90	\$ 176.23	\$ 2,362.58
2034	\$ 636.31	\$ 1,424.84	\$ 123.90	\$ 179.75	\$ 2,364.81
2035	\$ 672.52	\$ 1,388.26	\$ 120.72	\$ 183.35	\$ 2,364.85
2036	\$ 708.74	\$ 1,349.59	\$ 117.36	\$ 187.02	\$ 2,362.69
2037	\$ 750.12	\$ 1,308.83	\$ 113.81	\$ 190.76	\$ 2,363.52
2038	\$ 791.51	\$ 1,265.70	\$ 110.06	\$ 194.57	\$ 2,361.84
2039	\$ 838.07	\$ 1,220.19	\$ 106.10	\$ 198.46	\$ 2,362.82
2040	\$ 884.63	\$ 1,172.00	\$ 101.91	\$ 202.43	\$ 2,360.97
2041	\$ 936.36	\$ 1,121.13	\$ 97.49	\$ 206.48	\$ 2,361.46
2042	\$ 993.26	\$ 1,067.29	\$ 92.81	\$ 210.61	\$ 2,363.98
2043	\$ 1,050.17	\$ 1,010.18	\$ 87.84	\$ 214.82	\$ 2,363.02
2044	\$ 1,112.25	\$ 949.80	\$ 82.59	\$ 219.12	\$ 2,363.76
2045	\$ 1,174.33	\$ 885.84	\$ 77.03	\$ 223.50	\$ 2,360.70
2046	\$ 1,246.75	\$ 818.32	\$ 71.16	\$ 227.97	\$ 2,364.20
2047	\$ 1,319.18	\$ 746.63	\$ 64.92	\$ 232.53	\$ 2,363.27
2048	\$ 1,396.78	\$ 670.78	\$ 58.33	\$ 237.18	\$ 2,363.07
2049	\$ 1,474.38	\$ 590.46	\$ 51.34	\$ 241.93	\$ 2,358.11
2050	\$ 1,562.32	\$ 505.69	\$ 43.97	\$ 246.76	\$ 2,358.75
2051	\$ 1,655.44	\$ 415.85	\$ 36.16	\$ 251.70	\$ 2,359.15
2052	\$ 1,753.73	\$ 320.66	\$ 27.88	\$ 256.73	\$ 2,359.01
2053	\$ 1,857.20	\$ 219.82	\$ 19.12	\$ 261.87	\$ 2,358.01
2054	\$ 1,965.84	\$ 113.04	\$ 9.83	\$ 267.11	\$ 2,355.81
Total^[c]	\$ 28,789.16	\$ 31,066.34	\$ 2,701.42	\$ 5,951.46	\$ 68,508.38

Footnotes:

[a] Interest is calculated at 5.75% rate per the City's Financial Advisor, and subject to change upon pricing.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

[c] Totals may not sum due to rounding.

**CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1 – IMPROVEMENT
AREA #3 INITIAL PARCEL – BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
THE CITY OF BOYD, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #3 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$4,553,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Boyd, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *City of Boyd, Texas Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Boyd. The exact amount of each annual installment will be approved each year by the City of Boyd City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Boyd.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

ANNUAL INSTALLMENTS – IMPROVEMENT AREA #3 INITIAL PARCEL

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 62,000.00	\$ 261,797.50	\$ 22,765.00	\$ 25,832.05	\$ 372,394.55
2027	\$ 65,000.00	\$ 258,232.50	\$ 22,455.00	\$ 26,348.69	\$ 372,036.19
2028	\$ 68,000.00	\$ 254,495.00	\$ 22,130.00	\$ 26,875.66	\$ 371,500.66
2029	\$ 72,000.00	\$ 250,585.00	\$ 21,790.00	\$ 27,413.17	\$ 371,788.17
2030	\$ 76,000.00	\$ 246,445.00	\$ 21,430.00	\$ 27,961.43	\$ 371,836.43
2031	\$ 80,000.00	\$ 242,075.00	\$ 21,050.00	\$ 28,520.66	\$ 371,645.66
2032	\$ 85,000.00	\$ 237,475.00	\$ 20,650.00	\$ 29,091.07	\$ 372,216.07
2033	\$ 89,000.00	\$ 232,587.50	\$ 20,225.00	\$ 29,672.89	\$ 371,485.39
2034	\$ 94,000.00	\$ 227,470.00	\$ 19,780.00	\$ 30,266.35	\$ 371,516.35
2035	\$ 99,000.00	\$ 222,065.00	\$ 19,310.00	\$ 30,871.68	\$ 371,246.68
2036	\$ 105,000.00	\$ 216,372.50	\$ 18,815.00	\$ 31,489.11	\$ 371,676.61
2037	\$ 111,000.00	\$ 210,335.00	\$ 18,290.00	\$ 32,118.89	\$ 371,743.89
2038	\$ 117,000.00	\$ 203,952.50	\$ 17,735.00	\$ 32,761.27	\$ 371,448.77
2039	\$ 124,000.00	\$ 197,225.00	\$ 17,150.00	\$ 33,416.50	\$ 371,791.50
2040	\$ 131,000.00	\$ 190,095.00	\$ 16,530.00	\$ 34,084.83	\$ 371,709.83
2041	\$ 138,000.00	\$ 182,562.50	\$ 15,875.00	\$ 34,766.53	\$ 371,204.03
2042	\$ 146,000.00	\$ 174,627.50	\$ 15,185.00	\$ 35,461.86	\$ 371,274.36
2043	\$ 155,000.00	\$ 166,232.50	\$ 14,455.00	\$ 36,171.10	\$ 371,858.60
2044	\$ 164,000.00	\$ 157,320.00	\$ 13,680.00	\$ 36,894.52	\$ 371,894.52
2045	\$ 173,000.00	\$ 147,890.00	\$ 12,860.00	\$ 37,632.41	\$ 371,382.41
2046	\$ 183,000.00	\$ 137,942.50	\$ 11,995.00	\$ 38,385.06	\$ 371,322.56
2047	\$ 194,000.00	\$ 127,420.00	\$ 11,080.00	\$ 39,152.76	\$ 371,652.76
2048	\$ 205,000.00	\$ 116,265.00	\$ 10,110.00	\$ 39,935.82	\$ 371,310.82
2049	\$ 217,000.00	\$ 104,477.50	\$ 9,085.00	\$ 40,734.54	\$ 371,297.04
2050	\$ 230,000.00	\$ 92,000.00	\$ 8,000.00	\$ 41,549.23	\$ 371,549.23
2051	\$ 243,000.00	\$ 78,775.00	\$ 6,850.00	\$ 42,380.21	\$ 371,005.21
2052	\$ 257,000.00	\$ 64,802.50	\$ 5,635.00	\$ 43,227.81	\$ 370,665.31
2053	\$ 272,000.00	\$ 50,025.00	\$ 4,350.00	\$ 44,092.37	\$ 370,467.37
2054	\$ 289,000.00	\$ 34,385.00	\$ 2,990.00	\$ 44,974.22	\$ 371,349.22
2055	\$ 309,000.00	\$ 17,767.50	\$ 1,545.00	\$ 45,873.70	\$ 374,186.20
Total	\$ 4,553,000.00	\$ 5,103,700.00	\$ 443,800.00	\$ 1,047,956.39	\$ 11,148,456.39

Footnotes:

[a] Interest is calculated at 5.75% rate for illustrative purposes, and subject to change.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1 – IMPROVEMENT
AREA #3 LOT TYPE 5 – BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
THE CITY OF BOYD, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #3 LOT TYPE 5 PRINCIPAL ASSESSMENT: \$26,413.00

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Boyd, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *City of Boyd, Texas Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Boyd. The exact amount of each annual installment will be approved each year by the City of Boyd City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Boyd.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

ANNUAL INSTALLMENTS – LOT TYPE 5

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 359.68	\$ 1,518.75	\$ 132.07	\$ 149.86	\$ 2,160.35
2027	\$ 377.08	\$ 1,498.07	\$ 130.27	\$ 152.85	\$ 2,158.27
2028	\$ 394.48	\$ 1,476.38	\$ 128.38	\$ 155.91	\$ 2,155.16
2029	\$ 417.69	\$ 1,453.70	\$ 126.41	\$ 159.03	\$ 2,156.83
2030	\$ 440.89	\$ 1,429.68	\$ 124.32	\$ 162.21	\$ 2,157.11
2031	\$ 464.10	\$ 1,404.33	\$ 122.12	\$ 165.45	\$ 2,156.00
2032	\$ 493.10	\$ 1,377.65	\$ 119.80	\$ 168.76	\$ 2,159.31
2033	\$ 516.31	\$ 1,349.29	\$ 117.33	\$ 172.14	\$ 2,155.07
2034	\$ 545.32	\$ 1,319.61	\$ 114.75	\$ 175.58	\$ 2,155.25
2035	\$ 574.32	\$ 1,288.25	\$ 112.02	\$ 179.09	\$ 2,153.69
2036	\$ 609.13	\$ 1,255.23	\$ 109.15	\$ 182.68	\$ 2,156.18
2037	\$ 643.94	\$ 1,220.20	\$ 106.10	\$ 186.33	\$ 2,156.57
2038	\$ 678.74	\$ 1,183.18	\$ 102.88	\$ 190.06	\$ 2,154.86
2039	\$ 719.35	\$ 1,144.15	\$ 99.49	\$ 193.86	\$ 2,156.85
2040	\$ 759.96	\$ 1,102.78	\$ 95.89	\$ 197.73	\$ 2,156.37
2041	\$ 800.57	\$ 1,059.09	\$ 92.09	\$ 201.69	\$ 2,153.44
2042	\$ 846.98	\$ 1,013.05	\$ 88.09	\$ 205.72	\$ 2,153.85
2043	\$ 899.19	\$ 964.35	\$ 83.86	\$ 209.84	\$ 2,157.24
2044	\$ 951.40	\$ 912.65	\$ 79.36	\$ 214.03	\$ 2,157.45
2045	\$ 1,003.61	\$ 857.94	\$ 74.60	\$ 218.31	\$ 2,154.47
2046	\$ 1,061.63	\$ 800.24	\$ 69.59	\$ 222.68	\$ 2,154.13
2047	\$ 1,125.44	\$ 739.19	\$ 64.28	\$ 227.13	\$ 2,156.04
2048	\$ 1,189.25	\$ 674.48	\$ 58.65	\$ 231.68	\$ 2,154.06
2049	\$ 1,258.87	\$ 606.10	\$ 52.70	\$ 236.31	\$ 2,153.98
2050	\$ 1,334.28	\$ 533.71	\$ 46.41	\$ 241.04	\$ 2,155.44
2051	\$ 1,409.70	\$ 456.99	\$ 39.74	\$ 245.86	\$ 2,152.29
2052	\$ 1,490.92	\$ 375.93	\$ 32.69	\$ 250.77	\$ 2,150.31
2053	\$ 1,577.93	\$ 290.21	\$ 25.24	\$ 255.79	\$ 2,149.17
2054	\$ 1,676.56	\$ 199.48	\$ 17.35	\$ 260.91	\$ 2,154.28
2055	\$ 1,792.58	\$ 103.07	\$ 8.96	\$ 266.12	\$ 2,170.74
Total^[c]	\$ 26,413.00	\$ 29,607.74	\$ 2,574.59	\$ 6,079.44	\$ 64,674.76

Footnotes:

[a] Interest is calculated at 5.75% rate for illustrative purposes, and subject to change.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

[c] Totals may not sum due to rounding.

**CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1 – IMPROVEMENT
AREA #3 LOT TYPE 6 – BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
THE CITY OF BOYD, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

IMPROVEMENT AREA #3 LOT TYPE 6 PRINCIPAL ASSESSMENT: \$28,950.91

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Boyd, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within the *City of Boyd, Texas Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Boyd. The exact amount of each annual installment will be approved each year by the City of Boyd City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Boyd.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF _____

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Wise County.

ANNUAL INSTALLMENTS – LOT TYPE 6

Annual Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Annual Collection Costs	Annual Installment ^[b]
2026	\$ 394.24	\$ 1,664.68	\$ 144.75	\$ 164.26	\$ 2,367.92
2027	\$ 413.31	\$ 1,642.01	\$ 142.78	\$ 167.54	\$ 2,365.65
2028	\$ 432.39	\$ 1,618.24	\$ 140.72	\$ 170.89	\$ 2,362.24
2029	\$ 457.82	\$ 1,593.38	\$ 138.55	\$ 174.31	\$ 2,364.07
2030	\$ 483.26	\$ 1,567.06	\$ 136.27	\$ 177.80	\$ 2,364.38
2031	\$ 508.69	\$ 1,539.27	\$ 133.85	\$ 181.35	\$ 2,363.16
2032	\$ 540.48	\$ 1,510.02	\$ 131.31	\$ 184.98	\$ 2,366.79
2033	\$ 565.92	\$ 1,478.94	\$ 128.60	\$ 188.68	\$ 2,362.14
2034	\$ 597.71	\$ 1,446.40	\$ 125.77	\$ 192.45	\$ 2,362.34
2035	\$ 629.51	\$ 1,412.03	\$ 122.79	\$ 196.30	\$ 2,360.63
2036	\$ 667.66	\$ 1,375.84	\$ 119.64	\$ 200.23	\$ 2,363.36
2037	\$ 705.81	\$ 1,337.45	\$ 116.30	\$ 204.23	\$ 2,363.79
2038	\$ 743.96	\$ 1,296.86	\$ 112.77	\$ 208.32	\$ 2,361.91
2039	\$ 788.47	\$ 1,254.08	\$ 109.05	\$ 212.48	\$ 2,364.09
2040	\$ 832.98	\$ 1,208.75	\$ 105.11	\$ 216.73	\$ 2,363.57
2041	\$ 877.49	\$ 1,160.85	\$ 100.94	\$ 221.07	\$ 2,360.35
2042	\$ 928.36	\$ 1,110.39	\$ 96.56	\$ 225.49	\$ 2,360.80
2043	\$ 985.59	\$ 1,057.01	\$ 91.91	\$ 230.00	\$ 2,364.52
2044	\$ 1,042.82	\$ 1,000.34	\$ 86.99	\$ 234.60	\$ 2,364.74
2045	\$ 1,100.05	\$ 940.38	\$ 81.77	\$ 239.29	\$ 2,361.49
2046	\$ 1,163.63	\$ 877.13	\$ 76.27	\$ 244.08	\$ 2,361.11
2047	\$ 1,233.58	\$ 810.22	\$ 70.45	\$ 248.96	\$ 2,363.21
2048	\$ 1,303.52	\$ 739.29	\$ 64.29	\$ 253.94	\$ 2,361.03
2049	\$ 1,379.83	\$ 664.34	\$ 57.77	\$ 259.02	\$ 2,360.95
2050	\$ 1,462.49	\$ 585.00	\$ 50.87	\$ 264.20	\$ 2,362.55
2051	\$ 1,545.15	\$ 500.90	\$ 43.56	\$ 269.48	\$ 2,359.09
2052	\$ 1,634.17	\$ 412.06	\$ 35.83	\$ 274.87	\$ 2,356.93
2053	\$ 1,729.55	\$ 318.09	\$ 27.66	\$ 280.37	\$ 2,355.67
2054	\$ 1,837.65	\$ 218.64	\$ 19.01	\$ 285.98	\$ 2,361.28
2055	\$ 1,964.82	\$ 112.98	\$ 9.82	\$ 291.69	\$ 2,379.32
Total^[c]	\$ 28,950.91	\$ 32,452.61	\$ 2,821.97	\$ 6,663.58	\$ 70,889.07

Footnotes:

[a] Interest is calculated at 5.75% rate for illustrative purposes, and subject to change.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

[c] Totals may not sum due to rounding.

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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[CLOSING DATE]

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

Tel +1 214 855 8000
Fax +1 214 855 8200
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IN REGARD to the authorization and issuance of the “City of Boyd, Texas, Special Assessment Revenue Bonds, Series 2025 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2 Project and Improvement Area #3 Project)” (the “Bonds”), dated May 13, 2025, in the principal amount of \$_____, we have examined the legality and validity of the issuance thereof by the City of Boyd, Texas (the “City”) solely to express legal opinions as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, or the history or prospects of the collection of the Pledged Revenues, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds, and have not assumed any responsibility with respect thereto. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Indenture.

THE BONDS are issued in fully registered form only and mature on September 15 in each of the years specified in an Indenture of Trust (the “Indenture”), dated as of May 1, 2025, with U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), approved by the City Council of the City pursuant to an ordinance (the “Ordinance”) adopted by the City Council of the City authorizing the issuance of the Bonds, unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Indenture.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings had in connection with the issuance of the Bonds, including the Indenture, the Ordinance and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City; and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATION, we are of the opinion that, under applicable law of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been authorized, issued, and delivered in accordance with law; that the Bonds are valid, legally binding, and enforceable limited obligations of the City in accordance with their terms payable solely from the Trust Estate, except to the extent the

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright North Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com.

Page 2 of Legal Opinion of Norton Rose Fulbright US LLP

Re: "City of Boyd, Texas, Special Assessment Revenue Bonds, Series 2025 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2 Project and Improvement Area #3 Project)"

enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally.

2. Assuming continuing compliance after the date hereof by the City with the provisions of the Indenture and in reliance upon representations and certifications of the City made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds for federal income tax purposes (i) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date hereof, of the owners thereof pursuant to Section 103 of such Code, existing regulations, published rulings, and court decisions thereunder, and (ii) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

We express no opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

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**CITY OF BOYD, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #2 PROJECT AND IMPROVEMENT AREA #3 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of May 1, 2025 (this “Disclosure Agreement”), is executed and delivered by and among the City of Boyd, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2025 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2 Project and Improvement Area #3 Project)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of May 1, 2025, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The initial Administrator is P3Works, LLC.

“Annual 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 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.

“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 Developer” shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of May 1, 2025, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

“Disclosure Representative” shall mean the Finance Director or City Manager of the Issuer or his or her designee or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“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.

“Listed Events” shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“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.

“Tax Year” means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

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 (5th) day before the Annual Issuer Report Filing Date the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Annual Issuer Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Annual Issuer Report Filing Date, state the date by which the Annual Issuer Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Issuer Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Issuer Report Filing Date.

(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; and

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(i) of Exhibit B attached hereto. Such information shall be provided as of the end of the reporting Fiscal Year;

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (together, a “SAP Update”);

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer’s audited financial statements during such Fiscal Year.

(b) Audited Financial Statements. The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant, *but only if* available by the Annual Issuer Report Filing Date. If the audited financial statements of the Issuer are not available within twelve months after the end of the Fiscal Year, the Issuer

shall provide notice that the audited financial statements are not available, file unaudited financial statements within such twelve-month period, and file audited financial statements when prepared and available.

(c) A form for submitting the information described in subsection 4(a) above is attached as Exhibit B hereto. Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Issuer Report, if such Annual Collections Report is available when the Annual Issuer Report is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or

(ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1st) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the City shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business,

the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within Improvement Area #1 in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Additional Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than three (3) Business Days immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

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 Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Issuer Report in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Issuer Report or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, 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 the Administrator, each individually, make the following representation and verifications to enable the Issuer to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verification, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator, as the case may be, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification prior to the expiration or earlier termination of this Disclosure Agreement shall survive until barred by the applicable

statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) *Not a Sanctioned Company.* The Dissemination Agent and the Administrator, each individually, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) *No Boycott of Israel.* The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) *No Discrimination Against Firearm Entities.* The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) *No Boycott of Energy Companies.* The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

CITY OF BOYD, TEXAS

By: _____
City Manager

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

P3Works, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL ISSUER REPORT][ANNUAL COLLECTIONS REPORT]
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]**

Name of Issuer: City of Boyd, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025
(City of Boyd, Texas Public Improvement District No. 1
Improvement Area #2 Project and Improvement Area #3 Project)
(the "Bonds")
CUSIP Nos. [insert CUSIP Nos.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Boyd, 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 May 1, 2025, by and among the Issuer, P3Works, LLC, as "Administrator," and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as "Dissemination Agent." The Issuer anticipates that [the Annual Issuer Report][the Annual Collections Report][audited/unaudited financial statements] will be filed by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
on behalf of the City of Boyd, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Boyd, Texas

EXHIBIT B

**CITY OF BOYD, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #2 PROJECT AND IMPROVEMENT AREA #3 PROJECT)**

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_____]
Telephone: (____) ____-____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				—
				—
Total				

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value ⁽¹⁾	Book Value ⁽¹⁾	Market Value ⁽¹⁾

(1) As such information is provided by the Trustee.

*Excluding audited financial statements of the Issuer

Section 4(a)(i)(C)**ASSETS AND LIABILITIES OF TRUST ESTATE**

Cash Position of Trust Estate for statements dated September 30, 20[]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[] Trust Statements: Audited Unaudited

Accounting Type: Cash Accrual Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
---	------------------	-----------------	--------------

Top [Five] Assessment Payers in Improvement Area #2 ⁽¹⁾

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Assessments</u>
-----------------------	--------------------------------------	---	--	--

⁽¹⁾ Does not include those owing less than one percent (1%) of total Assessments.

Top [Five] Assessment Payers in Improvement Area #3 ⁽¹⁾

<u>Property Owner</u>	<u>No. of Parcels/Lots</u>	<u>Percentage of Parcels/Lots</u>	<u>Outstanding Assessments</u>	<u>Percentage of Total Assessments</u>
-----------------------	--------------------------------	---------------------------------------	------------------------------------	--

⁽¹⁾ Does not include those owing less than one percent (1%) of total Assessments.

Assessed Value of Improvement Area #2 of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #2 of the District is approximately \$[AMOUNT] according to the Wise County Appraisal District.

Assessed Value of Improvement Area #3 of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #2 of the District is approximately \$[AMOUNT] according to the Wise County Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent Assessment Amount not in Foreclosure Proceedings</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Assessment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
20__	\$		\$		\$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Total Annual Installment Billed</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent Amount as of [9/1]</u>	<u>Delinquent % as of [9/1]</u>	<u>Total Assessments Collected⁽²⁾</u>
20__	\$		\$	%	\$	\$
20__						
20__						
20__						
20__						

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

⁽²⁾ [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

<u>Fiscal Year</u> <u>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</u> <u>Prepayments</u>	<u>Amount of</u> <u>Prepayments</u>	<u>Bond Call Date</u>	<u>Amount of</u> <u>Bonds</u> <u>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

**CITY OF BOYD, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #2 PROJECT AND IMPROVEMENT AREA #3 PROJECT)**

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_____, Texas ____]
Telephone: (____) ____-____
Contact Person: Attn: _____

**SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO
THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH
THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL
YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN
COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE
AGREEMENT**

Foreclosure History Related To The Annual Installments⁽¹⁾

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings	<u>Foreclosure 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 ⁽¹⁾

Succeeding Fiscal Year 20__	Total Annual Installments <u>Levied</u> \$	Parcels <u>Levied</u> ⁽²⁾	Delinquent Amount as <u>of 3/1</u> \$	Delinquent % <u>as of 3/1</u> %	Total Annual Installments <u>Collected</u> ⁽³⁾ \$
-----------------------------------	---	---	--	---------------------------------------	---

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

⁽²⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽³⁾ [Does/does not] include interest and penalties.

Prepayment of Assessments⁽¹⁾

Succeeding Fiscal Year	Number of <u>Prepayments</u>	Amount of <u>Prepayments</u> \$	<u>Bond Call Date</u>	Amount of Bonds <u>Redeemed</u> \$
---------------------------	---------------------------------	---------------------------------------	-----------------------	---

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
	15	<p>Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.</p> <p>Issuer and/or Administrator should be aware of actual and specific delinquencies.</p> <p>Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year.</p> <p>Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.</p>
March 15	43/44	Trustee pays bond interest payments to Owners.
April 1	59/60	<p>At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City 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>

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

July 1 **152/153** **If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full September payment, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Report.**

Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15 **197/198** **The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).**

Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Report.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

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**CITY OF BOYD, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #2 PROJECT AND IMPROVEMENT AREA #3 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer, dated as of May 1, 2025 (this “Disclosure Agreement”), is executed and delivered by and among D.R. Horton – Texas, Ltd., a Texas limited partnership (the “Developer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent (the “Dissemination Agent”) with respect to the captioned bonds (the “Bonds”). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust, dated as of May 1, 2025, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC, as the initial Administrator.

“Affiliate” shall mean an entity that is controlled by, controls, or is under common control with another entity.

“Certification Letter” shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

“Developer” shall mean D.R. Horton – Texas, Ltd., a Texas limited partnership, its successors and assigns, including any Affiliate of the Developer.

“Developer Listed Event” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds dated as of even date herewith executed and delivered by and among the Issuer, the Administrator, and the Dissemination Agent.

“Dissemination Agent” shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent

designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at <http://emma.msrb.org>.

“Homebuilder” shall mean any homebuilder who enters into a Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

“Issuer” shall mean the City of Boyd, Texas.

“Listed Events” shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

“Lot Purchase Agreement” shall mean, with respect to lots or land within the District, any lot purchase agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Private Improvements” shall mean the approximately 1,000 square foot amenity center with a swimming pool, playground, soccer field, and basketball court, and a community walking trail and ponds that the Developer intends to construct in the District.

“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 containing the information listed in Exhibit A attached hereto.

“Reporting Party” shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Significant Homebuilder” shall mean a Homebuilder that owns (i) at least ten (10) single-family residential lots in Improvement Area #2, or (ii) at least eight (8) single-family residential lots in Improvement Area #3, as the case may be.

“Significant Homebuilder Listed Event” shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party shall, at its cost and expense, provide or cause to be provided to the Administrator not more than 10 days after each Quarterly Ending Date, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to subsection 3(d) hereof (with respect to each Reporting Party, the “Quarterly Information”). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such Reporting Party’s obligations terminate pursuant to Section 7 of this Disclosure Agreement. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred to such Significant Homebuilder.

(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 20 days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to such Person’s 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 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 Party pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than 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 30 days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, no later than 35 days after each Quarterly Ending Date, the Quarterly Report containing the information described in subsection 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 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 #2 or Improvement Area #3 on Assessed Property owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #2 or Improvement Area #3 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section 4 nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area #2 or Improvement Area #3, including the Improvement Areas #2-3 Projects and the Private Improvements;

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of Improvement Area #2 or Improvement Area #3 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 #2 or Improvement Area #3 owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, or 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 Improvement Area #2 or Improvement Area #3, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any material change in the legal structure, chief executive officer, or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof.

(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 #2 or Improvement Area #3 on Assessed Property owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #2 or Improvement Area #3 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, or 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 hereof.

(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 Provider 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 10 Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Reporting Party. 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 applicable 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 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. Reserved.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilders.

As long as a Homebuilder is a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under subsections 3(d)(iv) and 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 clause (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in clause (a)(i) above, the Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to subsections 4(a)(ix) and 4(b)(vi) 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) and 4(e) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder's delivery of an executed Significant Homebuilder Acknowledgment assuming the Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Homebuilder until an executed Significant Homebuilder Acknowledgment with respect to such real property is delivered to the Dissemination Agent, the Administrator, the Issuer, and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall use commercially reasonable efforts to require that any Significant Homebuilder comply with obligations of this Section 6 with respect to any subsequent transfers by such Significant Homebuilder to any individual or entity meeting the definition of a "Significant Homebuilder" in the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(e) above.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or any Significant Homebuilder under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) the date when the Developer or such Significant Homebuilder no longer owns (A) at least ten (10) single family residential lots within Improvement Area #2, or (B) at least eight (8) single family residential lots within Improvement Area #3, as the case may be, as of each Quarterly Ending Date; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with subsection 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, or (ii) when (x) the Developer, including its Affiliates and/or successors and assigns, no longer owns (A) at least ten (10) single family residential lots within Improvement Area #2, or (B) at least eight (8) single family residential lots within Improvement Area #3, as the case may be, as of each Quarterly Ending Date, and (y) such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective Affiliates and/or successors and assigns, no longer owns (A) at least ten (10) single family residential lots within Improvement Area #2, or (B) at least eight (8) single family residential lots within Improvement Area #3, as the case may be, as of each Quarterly Ending Date.

(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, of the termination of the applicable 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) and (b), if any, of this Section 7 and any Termination Notice required by subsection (c) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with 30 days' notice to the Issuer, the Developer, and the Administrator; provided, however, that if the Dissemination Agent is serving in the same capacity under the Disclosure Agreement of Issuer, the Dissemination Agent shall resign under the Disclosure Agreement of Issuer simultaneously with its

resignation hereunder; provided, further, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each of the Developer, any Person that has executed a Developer Acknowledgement pursuant to Section 5 hereof, or any Significant Homebuilder that has executed a Significant Homebuilder Acknowledgment pursuant to Section 6 hereof of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer or any Significant Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Developer or Significant Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, the Developer or the Significant Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided under this Disclosure Agreement.

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 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 in mandamus or specific performance. A default under this Disclosure Agreement by a Reporting Party shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by a Reporting Party or the Administrator. Additionally, a default by a Reporting Party of its obligations under this Disclosure Agreement shall not be deemed a default by any other Reporting Party of such Reporting Party's obligations under this Disclosure Agreement. Additionally, a default by the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by any Reporting Party and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding (i) liabilities due to the Dissemination Agent's negligence or willful misconduct, and (ii) liabilities resulting from claims made by the Developer against the Dissemination Agent. 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) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to indemnify and hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding (i) liabilities due to the Administrator's breach, negligence, or willful misconduct, and (ii) liabilities resulting from claims made by the Developer against the Administrator. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation, or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The Developer, the Administrator, and the Dissemination Agent agree that the legal expenses of the Dissemination Agent or the Administrator to which it is expressly entitled to be paid pursuant to this subsection 13(c) are Annual Collection Costs.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of

any present or future officer, director, shareholder, member, managing partner, agent, or employee of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #2 and Improvement Area #3, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #2 and Improvement Area #3, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Parties and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified

in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer:	D.R. Horton – Texas, Ltd. 6751 North Freeway Fort Worth, Texas 76131 E-mail: jbosworth@drhorton.com
If to the Dissemination Agent:	HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. 717 N. Harwood St., Suite 3400 Dallas, Texas 75201 E-mail: tanya.calvit@hilltopsecurities.com
If to Administrator:	P3Works, LLC 9284 Huntington Square North Richland Hills, Texas 76182 E-mail: mary@p3-works.com
If to the Issuer:	City of Boyd, Texas 731 E. Rock Island Boyd, Texas 76023 E-mail: wtaylor@cityofboyd.com
If to Participating Underwriter:	FMSbonds, Inc. 5 Cowboys Way, Suite 300-25 Frisco, Texas 75034 E-mail: tdavenport@fmsbonds.com
If to the Trustee:	U.S. Bank Trust Company, National Association 111 Filmore Avenue East St. Paul, Minnesota 55107 Attn: Bond Operations

SECTION 1. 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 Section 7 of this Disclosure Agreement.

SECTION 2. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same

instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

HTS CONTINUING DISCLOSURE SERVICES,
A DIVISION OF HILLTOP SECURITIES INC.,
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

D.R. Horton – Texas. Ltd., a Texas limited partnership

By: D.R. Horton, Inc., a Delaware corporation,
Its Authorized Agent

By: _____
Justin Bosworth
Assistant Vice President

P3Works, LLC,
Administrator

By:_____

Name:_____

Title:_____

EXHIBIT A

**CITY OF BOYD, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(CITY OF BOYD, TEXAS PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #2 PROJECT AND IMPROVEMENT AREA #3 PROJECT)**

**DEVELOPER QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]**

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address:
City:
Telephone:
Contact Person: Attn:

I. Unit Mix for Bond Assignment

<u>Product Type</u>	<u>Number of Units</u>
<i><u>Improvement Area #2</u></i>	
40'	65
50'	134
<i><u>Improvement Area #3</u></i>	
40'	54
50'	108

II. Ownership of Lots/Units in Improvement Area #2 and Improvement Area #3

PLANNED LOTS IN IMPROVEMENT AREA #2: 199

Of the 199 lots in Improvement Area #2:

1. Number of lots owned by the Developer: _____
2. If applicable, number of lots under contract but not closed to Homebuilder(s): N/A
3. If applicable, number of lots owned by Homebuilder(s): N/A
4. Number of units owned by homeowners: _____

PLANNED LOTS IN IMPROVEMENT AREA #3: 162

Of the 162 lots in Improvement Area #3:

1. Number of lots owned by the Developer: _____
2. If applicable, number of lots under contract but not closed to Homebuilder(s): N/A
3. If applicable, number of lots owned by Homebuilder(s): N/A
4. Number of units owned by homeowners: _____

III. Lot Status in Improvement Area #2 and Improvement Area #3

Of the 199 lots in Improvement Area #2, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 199
2. Planned lots as of the date of this Quarterly Report: 199
3. Lots developed: 199
4. Lots platted: 199
5. Expected completion date of all lots in Improvement Area #2 (if incomplete):
Completed March 2025

Of the 162 lots in Improvement Area #3, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 162
2. Planned lots as of the date of this Quarterly Report: 162
3. Lots developed: 162
4. Lots platted: 162
5. Expected completion date of all lots in Improvement Area #3 (if incomplete):
Completed April 2025

IV. Home Sales Information in Improvement Area #2 and Improvement Area #3

PLANNED HOMES IN IMPROVEMENT AREA #2: 199

Of the 199 homes planned for Improvement Area #2:

1. How many building permits were issued **during the current quarter?** _____
2. How many homes have closed with homebuyers **during the current quarter?** _____
3. How many homes have closed with homebuyers **cumulatively?** _____

PLANNED HOMES IN IMPROVEMENT AREA #3: 162

Of the 162 homes planned for Improvement Area #3:

1. How many building permits were issued **during the current quarter?** _____
2. How many homes have closed with homebuyers **during the current quarter?** _____
3. How many homes have closed with homebuyers **cumulatively?** _____

V. Expenditures Paid from Accounts under Indenture

1. Total Budgeted Costs for the Improvement Areas #2-3 Projects: \$14,154,342
2. Of the total budgeted costs, the total amount drawn from the Improvement Accounts:
 - a. Improvement Area Improvements Account: \$ ¹
 - b. Improvement Area Major Improvements Account: \$ ²
 - c. Improvement Area Developer Improvement Account: N/A

VI. Status of Improvements in Improvement Area #2 and Improvement Area #3

1. Projected/actual completion date of the Improvement Area #2 Projects: March 2025
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: N/A
1. Projected/actual completion date of the Improvement Area #3 Projects: April 2025
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: N/A

VII. Private Improvements

TOTAL EXPECTED/ACTUAL COSTS OF PRIVATE IMPROVEMENTS: \$8,074,923

Of the \$8,074,923 actual costs of the Private Improvements:

1. Amount spent as of Quarterly Ending Date: \$8,074,923
2. Actual/Expected completion date of Private Improvements: April 29, 2024
3. Projected/actual completion date of the Improvement Area #2 Projects: March 2025
4. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: N/A

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?
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),

¹ For purposes of this report, "Improvement Area Improvements Account" refers to the "Improvement Area #2 Projects Account of the Project Fund," as defined in the Indenture.

² For purposes of this report, "Improvement Area Major Improvements Account" refers to the "Improvement Area #3 Projects Account of the Project Fund," as defined in the Indenture.

if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer 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: City of Boyd, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (City of Boyd,
Texas Public Improvement District No. 1 Improvement Area #2
Project and Improvement Area #3 Project) (the “Bonds”)
CUSIP Numbers: [insert CUSIP Numbers]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Developer³”] [“Significant Homebuilder”]) has not provided the
[Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*]
with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer
related to such Bonds, by and among D.R. Horton – Texas, Ltd., a Texas limited partnership (the
“Developer”), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a
division of Hilltop Securities Inc., as Dissemination Agent. The [Developer][Significant
Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be
[provided][filed] by _____.

Dated: _____

HTS CONTINUING DISCLOSURE SERVICES,
A DIVISION OF HILLTOP SECURITIES INC.,
on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Boyd, Texas

³ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Boyd, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2 Project and Improvement Area #3 Project) (the “Bonds”)
CUSIP Numbers. [insert CUSIP Numbers]
Date of Delivery: _____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.

City of Boyd, Texas
731 E. Rock Island
Boyd, Texas 76023

D.R. Horton – Texas, Ltd.

_____, Texas _____

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that _____, a _____ (the [“Developer”] [“Significant Homebuilder”]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Bonds, thereby terminating such party’s reporting obligations under the Continuing Disclosure Agreement of Developer related to such Bonds, by and among D.R. Horton – Texas, Ltd., a Texas limited partnership (the “Developer”), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent.

Dated: _____

P3Works, LLC
on behalf of the [Developer] [Significant
Homebuilder],
as Administrator)

By: _____

Title: _____

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer: City of Boyd, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2 Project and Improvement Area #3 Project)
CUSIP Numbers: [insert CUSIP Numbers]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for City of Boyd, Texas Public Improvement District No. 1 – Improvement Area #2 and Improvement Area #3

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among D.R. Horton – Texas, Ltd., a Texas limited partnership¹ (the “Developer”), P3Works, LLC, as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [Insert Quarterly Ending Date], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

D.R. Horton – Texas. Ltd., a Texas limited partnership

By: D.R. Horton, Inc., a Delaware corporation,
Its Authorized Agent

By: _____
Justin Bosworth
Assistant Vice President

[OR

Significant Homebuilder
(as Significant Homebuilder)
By: _____
Title: _____]

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

**Re: City of Boyd, Texas Public Improvement District No. 1 – Improvement Area #2 and
Improvement Area #3 – Continuing Disclosure Obligation**

Dear _____,

As of _____, 20__, you own ____ lots within [Improvement Area #2/Improvement Area #3] of City of Boyd, Texas Public Improvement District (the “District”). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer related to the captioned Bonds (the “Disclosure Agreement of Developer”) by and among D.R. Horton – Texas, Ltd., a Texas limited partnership (the “Developer”), P3Works, LLC (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc. (the “Dissemination Agent”), with respect to the “City of Boyd, Texas, Special Assessment Revenue Bonds, Series 2025 (City of Boyd, Texas Public Improvement District No. 1 Improvement Area #2 Project and Improvement Area #3 Project),” any entity that owns [10 or more of the single family residential lots within Improvement Area #2][8 or more of the single family residential lots within Improvement Area #3] of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(b) of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

D.R. Horton – Texas. Ltd., a Texas limited
partnership

By: D.R. Horton, Inc., a Delaware corporation,
Its Authorized Agent

By: _____
Justin Bosworth
Assistant Vice President

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____
Title: _____

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